

Nov. 5
Vol. 1

Voluntary
ECONOMIC
PLANNING

NOVA SCOTIA
VOLUNTARY PLANNING BOARD

PLAN FOR
THE TRANSPORTATION AND COMMUNICATION
SECTOR



AUGUST 1966



NOVA SCOTIA VOLUNTARY PLANNING BOARD

PLAN FOR THE
TRANSPORTATION AND COMMUNICATION SECTOR

AUGUST 1966

Available by mail from
the Queen's Printer, P.O. Box 368, Halifax
upon receipt of a cheque or money order
drawn to the order of
the Minister of Finance and Economics
Province of Nova Scotia

Price: \$2.50

P.O. Box 187
Halifax, Nova Scotia
August 1966

The Chairman and Members
Nova Scotia Voluntary Planning Board
Halifax, Nova Scotia

Gentlemen:

Presented herewith is the report of the
Transportation and Communication Sector of your Board.

Nearly one hundred persons are involved in the various committees of this Sector and they have given generously of their knowledge and time, as well as attending meetings at their own expense. Cooperation has been excellent and the sundry committee members are to be congratulated for their efforts, which are very much appreciated.

The numerous meetings held to date have afforded an opportunity for many people, with common interest, to get together to discuss topics and problems which are of concern to all of them.

The Transportation and Communication Sector has been formed a relatively short time and thus this Sector considers its report as only a beginning, but in the right direction.

There is much work to be done to attain the economic goals set out in the Board's "First Plan", including:

- "1. the highest possible rate of growth with an equitable distribution of per capita income;
2. the highest possible level of employment;
3. the achievement of the highest possible increase in productivity;

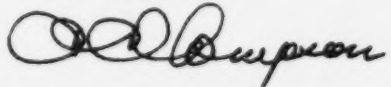
The Chairman and Members

August, 1966

4. the development of all the resources of the province to the highest point of efficiency; and
5. the achievement of a climate, both economic and political, that will encourage the development of new industries and the expansion of existing industries."

An efficient transportation and communication network is an integral part in any attempt to improve the rate of economic growth in the Province of Nova Scotia. It is the hope of our sundry committees that we can do our part in making the attainment of these goals a reality.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "G. C. Thompson", with a stylized, cursive script.

George C. Thompson
Chairman of
Transportation and
Communication Sector

Preface

The Transportation and Communication Sector Plan is one of a series of sector plans to be published by the Nova Scotia Voluntary Planning Board for its planning period 1965 to 1968.

The purpose of this sector plan is to give additional detail as background information to those proposals of the Transportation and Communication Sector Committee included in the Board's First Plan. Other material is also presented to give some idea of the range of thought expressed by this committee and its segment committees during their meetings.

This plan, then, is a summation of the information covered to date by the Transportation and Communication Sector Committee.

TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal	i
Preface	iii
Table of Contents	iv
List of Tables	v
Introduction	1
Chapter I - Organization of Sector and Segment Committees	4
Chapter II - Transportation and Communication and Provincial Economic Growth ..	6
Chapter III - Railway Segment	13
Chapter IV - Motor Vehicle Segment	27
Chapter V - Shipping Segment	47
Chapter VI - Air Travel Segment	64
Chapter VII - Communications Segment	70
Chapter VIII - General Conclusions and Employ- ment Target	82

Appendices

A. Atlantic Provinces Transportation Study ..	88
B. Transportation and Communication Sector Recommendations included in "Nova Scotia Voluntary Planning Board, First Plan for Economic Development to 1968"	93
C. Transportation and Communication Sector Committee, Segment Committees	96

LIST OF TABLES

<u>Table</u>	<u>Page</u>
1. Revenue Freight Carried by Railways (1956 to 1964) Loaded at Stations in Nova Scotia	18
2. Revenue Freight Carried by Railways (1956 to 1964) Unloaded at Stations in Nova Scotia	19
3. Railway Employment	22
4. For-Hire Truck Population (Estimated)	30
5. For-Hire Trucks Total Mileage Travelled ..	30
6. Population - All Trucks (Estimated)	30
7. For-Hire Trucks (Total Tons Carried)	30
8. For-Hire Trucks (Percent of Miles Travelled Empty)	30
9. All Trucks (Total Tons Carried)	30
10. Nova Scotia Public Vehicle Driver Licenses	31
11. Nova Scotia Registered For-Hire Freight Vehicles	32
12. Provincial Fuel Taxes, 1965	39
13. Number and Registered Net Tonnage of Vessels Arrived and Departed from Nova Scotia Ports; Total Cargo Loaded and Unloaded in International Trade	48
14. Number and Registered Net Tonnage of Vessels Arrived and Departed from Nova Scotia Ports; Total Cargo Loaded	48
15. General Cargo - Halifax	49

List of Tables - Cont'd.

<u>Table</u>	<u>Page</u>
16. Port of Halifax Number of Foreign Passengers Landed and Embarked by Vessels	52
17. Traffic Carried Between North Sydney and Port Aux Basques (1961 to 1965)	53
18. M.V. Bluenose Traffic	53
19. Employment Index - Water Transport	55
20. Employment Index - Water Transport	55
21. Passengers and Revenue Goods - Canadian Air Carriers	64
22. Relative Change in Activity by Air Canada - Sydney and Halifax Airports	65
23. Employment - Communications Segment	71
24. Total Employment - Transportation and Communication Sector	86

INTRODUCTION

The purpose of this report is to outline some of the thoughts of people in the transportation and communication industry in Nova Scotia, and also to discuss some relevant aspects of the industry in light of the aim to achieve an increased rate of economic growth for the province. Transportation and communication will first be defined and will be followed by a brief discussion of how the subject was approached.

Transportation, in Nova Scotia's case, refers to the movement of goods and passengers both within the province itself and to and from extra-provincial areas, both domestic and foreign. Communication refers to the transmission of ideas and thought by various means for informational, entertainment and business purposes. The transportation and communication industry produces a service rather than a tangible produce and thus differs from the goods-producing sectors. However, its service is indeed a valuable one. Transportation, for example, can increase the utility of commodities by moving them from one location to another where they are in greater demand, thus enhancing their price. Communication services expand market potential for businesses and make a wider variety of information available.

There are three directions from which the topic of transportation and communication might be approached. The first is from the viewpoint of transportation and communication people themselves whereby problems of the industry can be aired by the providers of the service. The second viewpoint is that of producers who use the service and are exposed to problems of getting inputs and outputs to and from various locations. In many cases their ideas may coincide with those of the transportation and communication industry, but as producers they will also have other interests in assessing the effectiveness of a service. A third and very important viewpoint of this industry emerges by looking at it as an institutional factor in economic growth. The first two viewpoints are likely to be somewhat centered on individual aspects of the industry as the groups involved have

specific areas of interest and thus are understandably more concerned with their particular problems. The purpose of the third approach is to assess the overall effectiveness of the transportation and communication network in the province and to discuss the present and future role which it should play as an integral part of economic development.

When organizing the Transportation and Communication Sector of Voluntary Economic Planning, it was realized that all three of the above viewpoints should be taken into consideration. However, as all sectors of the programme have interests in this field, it would be difficult to have all of them represented on a committee at the outset. Consequently, it was decided that as a starting point the sector would deal mainly with people engaged in the actual transportation and communication business, although users of the service are also represented on some of the committees. In other words, the second of the viewpoints mentioned above has not been and will not be forgotten, but in order to start the programme off in an orderly manner, it was felt that the transportation and communication people themselves should get together first.

Following publication of this report, the Transportation and Communication Sector will be in touch with other sectors of Voluntary Economic Planning to discuss more specific problems from a producer's point of view. When this has been done, another report will be issued that will give the results of such future meetings.

It is not proposed that the present report should be an all-encompassing one. The sector was formally organized only just over a year ago and individual committee meetings have taken place since that time. To date, the sector committee and segment committees have concentrated mainly on formulating recommendations. In the future it is hoped that more analytical work can be done in order to define priorities for action more closely.

Chapters dealing specifically with the segments are in two main parts. The first provides some information and discussion on various aspects of the segment and the second contains segment recommendations,

with background, agreed to by the sector committee. Sector recommendations are broken down into two categories, those which were accepted by the Board for inclusion in the First Plan, and those which were not.

One of the problems of discussing the transportation and communication industry is the lack of statistics in many of the areas. Although this report is not basically analytical, an attempt is made to assess employment levels in each segment of the industry. Actual projections are made for the sector as a whole only. Other tables are provided for informational and descriptive purposes.

No attempt is made to reproduce all the tables put together for the background paper.* Part of any planning programme is the determination of how many jobs a sector might be expected to provide and an estimation of any expansion or contraction for some period in the future. This must be done in order to make a reasonable prediction of the number of new jobs that must be created. Basically, change in transportation and communication employment follows the general economic lead of the goods-producing sectors. If there is increased production in other sectors, along with expanded buying and selling, activity in transportation and communication will also increase.

The institutional aspects of the industry are discussed first and are followed by the Railway, Motor Vehicle, Shipping, Air Travel and Communications segments. As there is such a diversification in the makeup of this sector, varying from for-hire trucking to the newspaper business, and because the availability of pertinent data also varies, the various chapters are presented in different form.

*For the organizational meeting of the Transportation and Communication Sector a background paper was prepared (March, 1965).

CHAPTER I

ORGANIZATION OF SECTOR AND SEGMENT COMMITTEES

The Transportation and Communication Sector was the ninth sector to be organized under the Voluntary Economic Planning programme. The initial meeting took place in Truro, Nova Scotia on March 5, 1965. It was agreed at that time that there should be five segments under the sector: Railway, Motor Vehicle, Shipping, Air Travel and Communications. The five committees, whose membership averages 15 people, are made up basically of people involved in various transportation or communication services. In some instances, users of a particular service are also represented along with labour where applicable. The Railway Segment includes representation from the two major railways serving the province as well as from users of the service; the Motor Vehicle Segment involves the for-hire trucking business and the bus business; the Shipping Segment is made up of port representatives, shipping agents, and exporters using the services of the shipping industry, as well as other interested parties; the Air Travel Segment includes private and commercial interests; and the Communications Segment is made up of people representing radio and television, newspapers and telecommunications.

Following the organizational meeting in Truro each segment committee met two or three times in order to suggest and discuss material for presentation to the sector committee. The general procedure was to outline the problems that the various groups felt were present in their segment and to recommend measures to alleviate them. The committees were also asked to make recommendations which they thought would increase the rate of growth of their industry as well as that of the province. In addition to making recommendations the committees discussed future prospects of their particular industry.

The Transportation and Communication Sector Committee held its first meeting on June 28, 1965 and has held subsequent meetings. The purpose of the sector committee is to look at the segment reports

and to criticize constructively the recommendations and material contained in them. After reviewing segment work the sector committee had to agree on a final report to be presented to the Voluntary Planning Board.* The Transportation and Communication Sector Committee is made up of 32 people including the chairman of each segment committee, who is able to follow his segment's recommendations through to the sector level. Likewise, the sector chairman sits on the Board to follow sector recommendations through the process. A list of sector and segment committee members appears in Appendix "C".

*Hereafter, where the word "Board" is used, reference is to the "Voluntary Planning Board."

CHAPTER II

TRANSPORTATION AND COMMUNICATION AND PROVINCIAL ECONOMIC GROWTH

Before looking at the various segments of transportation and communication separately, it is valuable to discuss the whole industry in light of the aim to increase the rate of economic growth in Nova Scotia and also to discuss the role that the industry should play in the development of the province. Transportation is the main consideration in this section but a brief word on communications is also included.

TRANSPORTATION

Freight - Transportation of goods plays a major role in the development of an area by providing a service both for the movement of goods inside the area and for links with other market regions. Freight transportation has been most important in the development of Nova Scotia - in fact, adequacy of this service is probably more important to the province than to most other regions, because of its geographical location.

Because of its small population, Nova Scotia does not provide a very large market. This means that in any major effort to expand production, a large percentage of goods will probably have to be sold in other markets, and this will in turn necessitate good freight-transportation services. For Nova Scotia to increase its economic growth rate the manufacturing base will have to expand and natural resource production will have to become more efficient. Although good freight-transportation facilities are not the major factor in reaching these desired ends, they do play an essential role in the movement and competitiveness of production, both primary and secondary. At the present time there are many ideas available for improvement in internal and external transportation links. They have not been exploited chiefly because of the low volume of traffic carried over the various routes which makes it difficult to justify heavy capital expenditures. This is one of the fundamental problems in providing transportation

facilities - which comes first, the facility or the goods to move?

Generally, the service follows expansion in volume of freight movements. However, advanced service often acts as a stimulus to development. In Nova Scotia's case, there is a need for expanded transportation services but the volume of traffic in most areas is quite small. The consequence of low-volume traffic is often higher freight rates, poor frequency and lack of variety of freight-transportation services for many Nova Scotia producers. A further result of this situation is that some products are put in a competitively disadvantageous position. The same plight is evident in bringing inputs into the region or moving them inside the province. In industries, where there are transportation problems such as these, the effect is that of a depressant rather than a stimulant toward economic expansion. Serious study should be given to the transportation services in this region to determine priorities for alleviating such problems.

Decisions involving priorities are difficult to make without adequate information. Statistical information regarding transportation in Nova Scotia is very sketchy. It is hoped that a good deal of data can be made available as a result of the Atlantic Provinces Transportation Study, which is being conducted at present by a consortium of two consulting firms in cooperation with the Atlantic Development Board and the Canada Department of Transport. The study is to delve into transportation matters peculiar to the Atlantic Provinces both internally and in regard to their links with other market areas, domestic and foreign. (For more information on this study see Appendix "A".)

Market Areas - Economic growth of the province will entail increased exports, and efficient access to a variety of markets will be increasingly important. There are five basic market areas for which Nova Scotia needs regular efficient freight-transportation service. These are the domestic, internal (provincial), overseas, West Indies, and New England markets.

Domestic - The domestic or Canadian market may not be the natural trading area for Nova Scotia but

historically and probably for some time to come it has and will continue to take a large percentage of Nova Scotia exports. For this reason as well as for national ones, efficient freight transportation is necessary between the province and the rest of Canada. Nova Scotia will always be a long distance from the major central Canadian market and disadvantages in competition there should be minimized by efficient use of transportation and by maximizing advantages in other markets to create a net gain for the province. Service to central Canada is provided by air, rail and truck. A limited amount is provided by shipping. Air services are considered adequate in the light of the cargo volumes involved. Rail service has improved, but many Nova Scotia producers feel that freight rates, even with the Maritime Freight Rates Act in effect, are at a level that puts them in a disadvantageous position with central Canadian competitors. As railway freight transportation is and will be most important, both as a means of exporting provincial goods to domestic markets and also as a necessary component of port development, any changes in rates and service should be carefully watched.

There is a limited highway freight service to central Canadian points, but not to such an extent that it is an effective competitor of the railways. As the Maritime Freight Rates Act applies just to rail traffic, the development of alternative modes of transport, which are necessary for a balanced service has not been encouraged.

Shipping of general cargo between Nova Scotia and central Canada is virtually non-existent. There is some movement of bulk commodities, e.g. oil, coal and grain.

Internal - Internal freight transportation in Nova Scotia is very important to the economic growth of the province, providing facilities for intercity movement and acting as a link in service to external areas. The growth of urban industrial centres requires efficient transportation systems to facilitate movement of factors of production. Modern highways are a necessity as well as an efficient rail freight service.

Although distances are not too great in Nova Scotia, air cargo service between major centres has room for expansion. The trucking industry will likely handle much of the provincial intercity freight traffic, with railways holding on to bulk traffic. Specialized rail equipment is now being employed to handle primary bulk production and increased use of new equipment to simplify loading and unloading will be evident.

Overseas - At present shipping service between overseas points and Nova Scotia is not at an ideal level. This is largely due to the low volume of goods originating in this area, and also because shipping through Halifax, which is the major port for Nova Scotia to overseas points, has not increased as it might have. One of the reasons Halifax has not grown to its potential is because of St. Lawrence River ports remaining open for longer periods during the winter months. The trend to more winter shipping on the St. Lawrence River will likely continue; however, even with this trend, Halifax has had increases in tonnage of cargo over its piers during winter months. It is evident that the potential growth of this cargo has been seriously limited by the factors mentioned above. Disregarding the inroads into Halifax's winter shipping services, the port, except in early days, never has had the good all-year shipping services to overseas points which would be desirable. Except for the winter season, there is limited variety and frequency of sailings from the port. The fact that there may be even less service in the winter is not good, but this is the inevitable trend at present. The port is faced with competing against expanded St. Lawrence River traffic and adjusting to the modernization of other Atlantic ports. Port and shipping technology is rapidly advancing and those ports which react quickly will get the traffic. Any plan for Nova Scotia would have to consider the transfer of goods inland, thus again it is important to keep a critical eye on railway rates and service. Undue increases in freight rates would put an added burden on local producers and also hinder expansion.

Nova Scotia alone will not generate enough future cargo to warrant significantly increased shipping services. One way in which it can better the

service is by becoming an efficient trans-shipping point for cargo between major centres in the north-central United States and central Canada, and overseas points. Advances in this direction will mean more service for Nova Scotia exporters.

It may appear that undue emphasis is being put on developing overseas traffic through the province. The reason for this is that success in generating "through" traffic will be a valuable asset both in terms of the direct and indirect activity it will create inside the province, thus encouraging more rapid development of provincial transportation facilities.

Air service overseas from Nova Scotia will likely expand as businessmen become more air minded and freight capacity is utilized. Frequency of air service is generally determined by passenger volume demand rather than by demand for air freight services. However, if demand for cargo service increased, it is likely that arrangements could be made for expansion.

West Indies - The two modes of transport to and from the West Indies are air and ship. Regular service is available by ship but the lack of return cargo is a problem. Also, there is a distribution problem in the West Indies because there are only small amounts of cargo to transfer to many islands. There is need of a central shipping point in that area to speed service. Air service to the West Indies has been expanded by the direct Halifax to Bermuda flight with connections south. Air freight service to this area has more room for expansion and as trade and travel between the two regions increase more flights will be added. The West Indies is a sensible area for exchange of goods with Nova Scotia and promotion of this trade would be beneficial.

New England - New England is a natural and logical trading area for Nova Scotia and improved facilities for fast movement to and from there should be studied with the idea of increasing activity in the near future. A relaxation of tariff barriers would open many avenues of trade in that market, whereas at present there is little capacity for moving goods between these areas. Highways, ferry and shipping

services could all be improved. Air service direct to the New England area is in effect, with expansion depending on traffic demands.

Passenger - Passenger services to points outside Nova Scotia are generally considered adequate. As airlines see a growing market for their service, new runs will be added. Rail, bus, ferry and ship services make good connections outside the province. Internal passenger traffic, other than private automobile, will likely be handled more by bus in the future with air service gaining traffic on the longer provincial runs. Railways share public ground-passenger service with bus companies. As highways are improved, bus services will become more efficient and a shift from railway passenger traffic to bus is likely in many cases.

Conclusion - As mentioned earlier, good transportation links are very important to the economic development of the area and efforts should be made to see that services of this kind are provided at reasonable rates. It is likely that present Nova Scotia industries could improve productivity with better internal transportation services along with more access to external markets. The problem is, however, that in order to encourage a greater variety of transport services, volumes of traffic have to be greater than present potential. To reach the desired end, production and transportation services should expand together. Transportation disadvantages that exist in some markets should be minimized and countered by maximizing advantages in others. One way in which disadvantages can be lessened is by developing industries for which transportation costs are relatively small compared with the value of production. Success in making Nova Scotia a terminal for the trans-shipment of goods overseas would help in providing a better service for local exporters. Transportation's role in economic development should not be ballooned out of proportion, but careful study is clearly needed to ensure that the services available stimulate rather than depress economic growth.

COMMUNICATIONS

Communications also play a vital role in economic development. Obviously businesses could not

operate on an efficient basis and remain competitive without good communications. Fortunately, communications in Nova Scotia are largely on a par with national systems. Links with other parts of Canada and to points outside the country are considered adequate. There is room for the industry to grow in Nova Scotia, although it is dependent to a great extent on the level of the economy. The communications industry itself is responsible for providing up-to-date services, and as the province grows so will services provided by the industry. (For a more detailed discussion of communications, see Chapter VII.)

CHAPTER III

RAILWAY SEGMENT

BACKGROUND

Historical - Nova Scotia has been connected to central Canada by rail since 1876 when the Intercolonial Railway was constructed. From the completion of the track until 1912, the level of freight rates, though based on rates of other Canadian railways, was lower as a result of national policy put into effect in order to encourage two-way traffic between the Maritimes and central Canada.¹ After 1912, rail rates in the country began to rise, but more drastically on the Intercolonial Railway. It was not long after this trend began that the advantages previously enjoyed were gone. The combination of the increase in freight rates and the depressed economic conditions in the Maritimes resulted in a move urging the Federal Government to reassess its national policy in regard to the Maritimes.

A Royal Commission on Maritime Claims (Duncan Commission) was set up to study problems of the region. Its recommendations were implemented almost in full by Parliament in 1926 enacted as the Maritime Freight Rates Act in 1927. The preamble to the act summarizes the main findings of the commission.

"... the Intercolonial Railway was designed among other things to give Canada in times of national and imperial need, an outlet and inlet on the Atlantic Ocean, and to afford to Maritime merchants and manufacturers the

¹This government policy was instituted in order to compensate for the Maritimes' loss of New England markets, which occurred as a result of Confederation and so that Maritime manufacturers would be able to compete in the interior market of Canada with no disadvantage because of distance from the market.

larger market of the whole Canadian people instead of the restricted market of the Maritimes themselves, also that strategic consideration determined a longer route than was actually necessary and therefore, that to the extent that commercial considerations were subordinated to national, imperial and strategic conditions, the cost of the railway should be borne by the Dominion, and not by the traffic which might pass over the line; and whereas the Commission has, in such report made certain recommendations respecting transportation and freight rates, for the purpose of removing the burden imposed upon the trade and commerce of such Provinces since 1912, which the commission finds, in view of pronouncements and obligations undertaken at Confederation, it was never intended such commerce should bear;
...**

The Maritime Freight Rates Act applies to the following traffic:

1. Traffic moving westbound out of Select Territory** (20% reduction, now 30% as of July 1, 1957, on that portion of the haul up to Levis, Quebec).
2. Local traffic between points in Select Territory.
3. Export traffic from points in Select Territory through ocean ports in Select Territory.

*As quoted in - "Submission to the Royal Commission on Transportation by the Maritimes Transportation Commission", Vol. 1, September 1960, p. 10.

**Area of Canada east of Levis, Diamond Junction and Boundary, Quebec and south of the St. Lawrence River.

Traffic between Canada and the United States; traffic moving eastbound into Select Territory, import traffic to Canada from overseas points, and passenger and express movements are not covered under the Maritime Freight Rates Act.

Many times since the passing of the Maritime Freight Rates Act the question of whether it still serves its purpose has been asked. Due to horizontal rail freight-rate increases after the Second World War, the rapid increase in truck participation in the movement of goods in central Canada, and the shorter distances involved there, the Maritimes did not maintain the restored advantage it had in freight rates.

Horizontal freight-rate increases are harder on the long-distance shipper as compared with the short-haul shipper and of all the Maritime Provinces, Nova Scotia is the farthest from the major domestic market. A two per cent increase is much more significant on a large shipping cost than a two per cent increase on a small amount. A combined disadvantage of even more importance is the rapid growth of highway freight carriers in central Canada. The relevance of this occurrence is that horizontal rail freight rates were not fully applied in the regions where a competitive alternative transport was available. They were more fully applied in regions where this alternative transport was not available. Nova Scotia's highway freight transportation has not developed rapidly and thus the rail freight-rate increases were heavier here. In other words, where competition was keen, rail rate increases were not able to be applied in full. Conversely, where competition was not keen, full advantage was generally taken of allowable increases.

In 1957 the 20 per cent assistance under the Maritime Freight Rates Act was increased to 30 per cent on goods moving out of Select Territory. This was done to restore a balance in freight costs to Maritime shippers. The increase, however, only offset rather than corrected the difficulties.

Current Aspects - A Royal Commission on Transportation (The MacPherson Commission, appointed in early 1959) was to enquire into the problems of railway

transportation in Canada and also to study the possibilities of alleviating inequities in the freight rate structure. The study did not delve into the Maritime Freight Rates Act, although it made recommendations which would affect shippers and producers in this region. Recommendations of the MacPherson Commission were largely embodied in Bill C-120, national transportation legislation which had first reading in 1964, but was not enacted. In the 1966 session of the federal parliament it is likely that a bill, similar in nature to Bill C-120, will be forthcoming, which in many circles is felt will be a further disadvantage to Nova Scotia producers in reaching the domestic market. The main reasoning behind the objection to Bill C-120 (or its successor) is that it eliminates all controls over railway rates and requires that no rate shall fall below the railways out-of-pocket costs. Furthermore, if a shipper has no alternative to rail transportation he may apply to the Board of Transport Commissioners for a maximum rate which shall be the railways variable cost for a 30,000 lb. carload plus 150 per cent of such variable cost. The only way in which Nova Scotia shippers would be able to gain from such a system is if their rates were above the maximum rate at present or if other modes of transportation were competitive enough to hold down the rates. Neither of these two alternatives seems likely to be the case in Nova Scotia as trucking, although expanding in the province, has not developed to the point where it can hold rail rates down to any great extent.

A transportation study of the Atlantic region is now underway under the auspices of the Canada Department of Transport and the Atlantic Development Board which will endeavour to look into all aspects of transportation in the region. Many people feel strongly that no new railway legislation should be imposed on this area until the results of this study are known. It is hoped that the study will throw some light on just how important transportation is to the region and to Nova Scotia. Nova Scotia ships a good percentage of its domestic exports to central Canada. Whether or not future policy will try to offset any disadvantages found there by expanding overseas markets, the province in the foreseeable future is still very dependent on its Canadian market. Thus rail rates will remain very important in the

development of the province.

Railway Freight in Nova Scotia - The two major railways in Nova Scotia have a history of being the dominant carriers of goods in the province. For Canada as a whole, trucking of goods via highways has become a real competitor to the railways in the last twenty years. However, in the Maritime region and in Nova Scotia this competition has not been as keen. Nevertheless, there has been a substantial increase in trucking activity in Nova Scotia on an intercity basis. The railways now have a clear-cut advantage only on bulk materials of low value. In Nova Scotia the railways are dominant in freight haulage and will likely be so for some years. As highways improve and trucking operations continue to expand, the railways will continue to lose the short haul, high-value traffic. The railways themselves carry on trucking operations in the province to offset this trend. They will likely not expand more than is necessary to meet competition.

In order to get some idea of the volume of freight traffic handled by the railways in Nova Scotia, Table 1 and Table 2 are provided. They show the tonnage of various commodities carried by the railways between 1956 and 1964. In Table 1, which shows volumes loaded, one can see that there has been an up-and-down trend in agricultural products with a slightly increasing overall trend; animal products have steadily declined; products of mines have shown an increase; forest products dropped to a low in 1960, but are again coming up to 1957 levels; manufactured and miscellaneous goods have exhibited a general decline although they were up in 1964; all less than carload lots have shown a general decline. Total tonnage loaded at stations in Nova Scotia has shown no dynamic change with losses in higher value tonnage being picked up in lower-revenue bulk commodities. In 1956, products of mines made up about 75 per cent of the tonnage loaded whereas in 1964 they comprised 85 per cent of the total. In contrast, manufactured goods dropped from about 17 per cent of the total in 1956 to 10 per cent in 1964. In Table 2, which shows volumes unloaded in the province, there has been a relatively steady pattern with no major trends apparent. These figures, especially those in Table 1

Table 1. Revenue Freight Carried by Railways (1956 to 1964)*
Loaded at Stations in Nova Scotia

	1	2	3	4	5	6	7
	Tons						
1956	69,103	75,615	8,596,115	533,760	1,857,371	77,143	11,209,107
1957	36,350	46,335	8,297,906	427,244	1,861,723	64,077	10,733,635
1958	41,144	40,064	6,694,114	329,862	1,500,953	49,995	8,656,152
1959	61,899	36,553	9,207,066	343,439	1,579,875	53,203	11,282,035
1960	86,637	30,520	7,822,964	280,213	1,442,180	51,989	9,714,503
1961	77,874	31,547	8,173,701	277,989	1,188,183	56,339	9,805,633
1962	59,689	27,431	8,834,890	352,111	1,133,904	56,222	10,464,247
1963	76,845	27,103	9,639,918	393,119	1,168,838	48,979	11,354,802
1964	117,408	24,995	9,524,538	425,754	1,364,042	42,099	11,498,836

1. Agricultural Products
2. Animal and Animal Products
3. Mine Products
4. Forest Products
5. Manufactures and Miscellaneous
6. All L.C.L.
7. Grand Total

* Includes imports and exports at lake or ocean ports.

Source: DBS 52-205

Table 2. Revenue Freight Carried by Railways (1956 to 1964)*
Unloaded at Stations in Nova Scotia

	1	2	3	4	5	6	7
				Tons			
1956	1,086,206	61,995	7,096,438	347,960	1,811,554	123,069	10,527,222
1957	747,045	59,059	7,046,028	338,109	1,927,966	107,377	10,225,584
1958	801,921	52,724	5,538,743	229,093	1,584,142	78,075	8,284,698
1959	768,187	49,620	7,815,026	268,543	1,552,017	79,762	10,533,155
1960	568,341	54,805	6,382,681	253,311	1,622,171	78,049	8,959,358
1961	613,635	55,399	7,058,295	282,887	1,493,101	63,614	9,566,931
1962	631,821	45,852	7,196,423	341,067	1,543,371	75,208	9,833,757
1963	604,167	53,520	7,235,064	412,621	1,588,866	78,696	9,972,934
1964	855,178	54,073	7,296,256	442,369	1,679,291	78,222	10,405,389

1. Agricultural Products
2. Animal and Animal Products
3. Mine Products
4. Forest Products
5. Manufactures and Miscellaneous
6. All L.C.L.
7. Grand Total

* Includes imports and exports at lake or ocean ports.

Source: DBS 52-2(5)

support the theory that railways will be earning more of their revenues in the future on lower-value bulk commodities as opposed to the carrying of packaged goods, which form an important component of the rail freight business at present. If, however, the port of Halifax is to be successful in encouraging large amounts of containerized traffic in the future, the railways should be able to increase their volume of higher valued traffic. Examples of the bulk commodities carried by the railways in Nova Scotia are gypsum, feed grains, fertilizers and coal. In anticipation of increased traffic in these commodities the railways are putting specialized cars into service. These specialized cars increase the efficiency of their rolling stock and expedite operations. The gondola gypsum cars are shorter than regular cars but carry 30 per cent more per load, and are designed for fast dumping. The railways have regained some of their losses in the movement of forest products by the use of such special equipment.

It is difficult to assess railway trends on a provincial basis, but many national ones apply provincially as well. The railways feel that the continued expansion of the Canadian economy has played an important part in helping to improve operational and financial results. They are expecting a continuation of the economic trend and are therefore looking forward to an increased demand for their services. Emphasis is to be placed on improving speed, capacity and efficiency in the movement of carload freight.

Canadian National Railways has decided to make a strong effort to increase its passenger business while Canadian Pacific Railways has made public that it feels there is not much future in the rail passenger business. It is thus planning a de-emphasis of that service except when it can be provided on a profitable basis. The success of the Canadian National Railways passenger campaign is difficult to analyze. The number of passengers has greatly increased since the innovation of its new ticket plan; however, whether this will prove to be financially successful is yet not known. Rail passenger traffic generally has been on the decline for many years. It is interesting to note that in 1949 railways performed about 14 per cent of all

intercity passenger miles in Canada, whereas in 1963 the comparable figure was about four per cent.*

FUTURE ASPECTS

If the goal of increased economic growth is realized, the Nova Scotia railway industry will also pick up its pace. It is capable of carrying greater volumes than it does both into and out of the region. As the situation demands, new and specialized equipment will be used. Basically the prosperity of the freight side of railways operating in Nova Scotia will depend on three things: the province's economic development, which infers increased production of natural resources and industrial goods, along with the development of markets for them; development of port of Halifax traffic on a year-round basis, which will stimulate traffic through Nova Scotia; and finally, the ability of the railways to remain competitive with other modes of transport.

Rail passenger service in parts of the province is likely to decrease in the future with intercity bus companies and private automobiles picking up the former rail passengers.

EMPLOYMENT

As shown in Table 3, employment in the railway industry in Nova Scotia has dropped substantially in the last ten years, (approximately 20 per cent), and now stands at about 5,500. The number of employees should not continue to drop at the same rate, but rather should level off at or near to present levels. There are no major foreseeable changes expected in the railway industry such as dieselization, which greatly decreased employment. It is safe to say that no great number of new jobs will be provided by the railway segment.

Although employment has dropped, average wages for railway employees have increased almost 50 per cent in the last ten years.

* DBS - Information and Public Relations Division.

There will be a demand for more highly skilled personnel in the railway industry in the future as is the case for most other industries. The feeling is that with trade schools and the railway's own training programme there should be no major problems in obtaining employees.

Table 3. Railway Employment

Nova Scotia (Relative Change) 1953=100

1953 - 100.0	1959 - 87.5
1954 - 100.0	1960 - 79.7
1955 - 97.2	1961 - 78.1
1956 - 102.2	1962 - 76.9
1957 - 97.0	1963 - 75.1
1958 - 85.5	1964 - 80.8

Source: DBS 72-201

RAILWAY SEGMENT RECOMMENDATIONS AND BACKGROUND

The recommendations below are those that the Transportation and Communication Sector accepted from the segment for presentation to the Voluntary Planning Board. They are presented in two parts.

Part A recommendations were accepted by the Voluntary Planning Board, as in quotations below, and thus appear in the First Plan. (See Appendix "B")

Part B recommendations were not accepted for inclusion in the First Plan for various reasons, and a brief statement of Board reaction to them follows each recommendation. Certain Part B recommendations may be accepted at a later date by the Board after further refinement and study by the sector.

Part A

1. Containerization - Co-operation between the port of Halifax, steamship lines and railways in the use of containers, bulk handling, and high-speed, specially-equipped trains could have a stimulating effect on Nova Scotia. Rapid loading and unloading of ships and trains and quick service to point of destination could have a strong

influence on an industry's decision to locate in the province. This would especially apply to firms interested in foreign export as well as domestic markets.

"There should be co-operation between steamship lines, the port of Halifax and other Nova Scotia ports, the national railways and highway transport firms, and representatives of labour, in bringing about increased use of containerization in cargo handling to provide a speedy and efficient movement of cargo to, from and through Nova Scotia ports."

2. Railway Loading Incentives - The proposal that railways make available an incentive to shippers by basing rates on a carload quantity above the present minimum was considered. The purpose of this proposal is to encourage greater utilization of carload capacity which would result in more effective hauling. This would also result in a lower cost per unit for pool car operators if they took advantage by loading cars closer to capacity.

"The national railways should continue to give close attention to the principle of publishing rates on an incentive loading basis, and in particular they should give consideration to the publication of incentive rates on pool car business originating in Quebec and Ontario and destined to points in Nova Scotia."*

Part B

3. Industrial Planning - Industries considering a location in Nova Scotia or businesses wishing to expand within the province sometimes do not consider their future needs for railway service in moving materials or goods into and out of their plants. At the planning or initial stages, a

* Included in First Plan, but referred to industry for self-implementation.

business may not see any apparent need for rail service. However, after some years a rail spur line may be considered necessary. Building special spur lines is expensive compared with locating a plant in an area already served by or near a railway.

Railway companies have industrial development branches which help firms pick suitable locations and there is a need for new industries to investigate this service. The railways' industrial development branches can help new firms to see various alternatives which might be advantageous to them.

"Firms or developers (private or community) in acquiring land for industrial development should, in planning, give consideration to having such property served by rail."

(This recommendation was not accepted for inclusion in the First Plan as it was felt the railways could adequately handle the situation.)

4. Communication Between Government and Railways - A large part of Nova Scotia's growth will come in the form of industrial and secondary development. It is necessary that the Provincial Government and the railways maintain good communications with each other regarding future industrial development in the province. If the railways are aware of the intentions of government in the area of development policy, they can better review rail services to meet future needs.

"There should be good communication between the Provincial Government, its agencies and the railways regarding future industrial development of Nova Scotia in order that the railways can review present services and give consideration to providing service to areas where industrial expansion is to be encouraged and anticipated."

(It was agreed that this point is important but the Board felt that the recommendation was not necessary as this function was already being performed.)

5. Other Sectors

"As a follow up to the preliminary stage of the Transportation and Communication Sector, the other sectors involved in Voluntary Economic Planning should approach the Transportation and Communication Sector with transportation problems specific to their sector."

(The Board felt that inclusion of this recommendation in the First Plan would be superfluous as the recommendation merely sets out the natural development of the programme. The Board agreed, however, that this is an important point.)

6. Natural Resource Development - In the development of natural resources one of the main cost factors in determining feasibility of operation is that of handling or transportation. In many cases, application of railway technology can help to reduce these costs. An example of this type of adaptability is seen in the movement of gypsum where special cars have been used for operation with rotary dumpers, or the special large cars for high volume movement of wood shipments.

It is felt that these principles might be applied to other areas which might be at present marginal to produce. If the prospect is found to be bright for development of other natural resources the use of unit trains and special cars for low-density materials, heavy materials, materials requiring rapid dumping, refrigeration, heating, etc. could be developed.

"The Province of Nova Scotia should investigate its natural resources which, at present might be marginal to produce, and consider that given the proper transportation environment these natural resources might be

produced on a profitable basis."

(This recommendation was referred back to the sector as the Board felt it was not definite enough.)

CHAPTER IV

MOTOR VEHICLE SEGMENT

BACKGROUND

Truck Competition - Historically, railways carried the bulk of all kinds of goods on an intercity basis. Approximately 30 years ago the trucking industry evolved as a competitor of the railways both in short and long-distance hauling. The last 15 to 20 years has seen an intensive growth of intercity freight movement by truck. Although expansion of the trucking industry has taken place in all parts of Canada, it has developed to a greater extent in some areas than in others. In central Canada, where there is a high volume of intercity movement of goods, the trucking industry at present carries a large percentage of that traffic. The importance of the industry in that area can be seen by the repercussions of the trucking strike which took place in early 1966, leaving many businesses with serious shortages. In Nova Scotia the trucking industry has also developed but not as greatly as in certain other parts of Canada. Long distances and relatively slow highway travel have made competition with the railways, for the central Canadian markets, difficult. In addition, the Maritime Freight Rates Act does not apply to trucking.

Categories of Trucking - In Nova Scotia there are two categories of truck operations which move goods on an intercity basis, for-hire trucking and private fleet operation. The former includes those vehicles which carry goods for revenue-earning purposes. Nova Scotia for-hire operations, which have more than two 2-axle trucks engaged in their operations, come under the regulations of the Motor Carrier Act and are under the direction of the Motor Carrier Division of the Board of Commissioners of Public Utilities. A private trucking fleet is one which is owned by a producing company to transport its own goods.

The trucking industry generally refers to the for-hire side of highway transfer. However, private fleet operations are a very important and large part of highway freight movement. This is

especially the case in Nova Scotia where a rather odd situation exists in terms of the performance of for-hire trucks as opposed to private trucking. According to Dominion Bureau of Statistics figures (which in the case of the trucking industry in Nova Scotia, need reviewing) it appears that approximately one-half of the highway net ton-miles* is performed by private intercity carriers as opposed to just over one-quarter of the total by the for-hire group. This same comparison made on a national basis reveals that approximately one-quarter of the highway net ton-miles is performed by private intercity carriers with nearly two-thirds being done by the for-hire group. The Atlantic Provinces as a whole are in the same position as Nova Scotia. These comparisons, whether or not the statistics are really accurate, show enough of a difference to warrant further study into why the for-hire trucking industry in Nova Scotia is underdeveloped compared with the national level. Some of the reasons may be as follows. First, there is a much smaller volume of goods moving on an intercity basis in the province compared with more developed areas of Canada: thus the business of for-hire trucking is probably not so lucrative and people are not encouraged to go into the trucking business. As a result of a lack of for-hire trucking alternatives, producers probably decide to truck for themselves. Another possible reason is the type of goods transported. If a large proportion of highway movement is in an unprocessed form, it is more likely to move on private carriers. Nova Scotia has a relatively high proportion of primary and unprocessed goods as compared to manufactured goods movement. Thirdly, the slow growth and relatively small size of the for-hire trucking industry may be because of the provincial highways, which many trucking people feel are not conducive to the growth of their business. Lastly, certain provincial motor vehicle regulations also may tend to hinder the growth of the industry. Without proper analysis it is difficult to isolate the true causes, which emphasizes the need for study of the industry in order to make clearer, more valuable judgments on various problems.

*Net ton-mile - one ton of cargo moved one mile.

Trucking Statistics - Tables 4 to 9 give various figures on trucking in Nova Scotia from 1958-1963. The Canadian figures are included for purposes of comparison. Table 4 shows that the Nova Scotia for-hire truck population has declined by 23 per cent. This is in line with a decrease of 10 per cent in mileage travelled. Both decreases could be explained by the fact that larger units are operating on the highways. This in turn could explain the 12 per cent increase in total tons carried, which indicated an increase in business activity of for-hire trucks registered in Nova Scotia. Total tonnage carried by all Nova Scotia trucks shows a 13 per cent gain.

National figures show increases of 20 per cent in for-hire truck population, 16 per cent in for-hire truck mileage, 34 per cent in total tons carried by for-hire trucks, and 24 per cent in tons carried by all trucks.

The one significant point which shows up in these tables is the relatively slow growth rate of Nova Scotia trucking in comparison with the national level. This perhaps is not surprising in view of the fact that the economy of the province has not advanced as rapidly as the national rate.

Figures in Tables 4 to 9 indicate agreement with the previous point that the Nova Scotia for-hire trucking industry is relatively underdeveloped. For-hire trucking should be more efficient than a private fleet operation in comparable situations. One reason it is not is because of the thinly spread industry in the province. Scattered industry results in much one-way hauling which is inefficient. For lack of an alternative, it is likely that private fleet operations have had to carry the load.

The data in Tables 4 to 9 are assumed to be accurate. However, anyone who has delved into the Nova Scotia trucking industry will know that accurate statistical measures are hard to find. It is safe to say that there is a need to reassess the trucking industry's statistics. There is a dearth of origin-destination material which is needed to properly measure the flow of goods into, out of, and through the province. There is also a definite need for a

Table 4. For-Hire Truck Population (Estimated)

	Nova Scotia	Canada
1958	985	50,509
1959	1,026	54,495
1960	997	55,016
1961	906	58,306
1962	772	60,527
1963	759	60,567
Change*	-22.5%	+19.5%

Table 6. Population - All Trucks (Estimated)

	Nova Scotia	Canada
1958	30,151	862,779
1959	31,401	888,479
1960	31,800	909,400
1961	31,100	942,900
1962	32,300	975,000
1963	33,100	1,001,000
Change	+9.8%	+16%

Table 8. For-Hire Trucks (Per cent of Miles Travelled Empty)

	Nova Scotia	Canada
1958	26.8	27.9
1959	24.8	25.5
1960	28.8	26.4
1961	26.7	26.7
1962	25.7	27.1
1963	27.7	27.5

*Percentage change (1958-63)

TABLES 4-9 - Nova Scotia columns apply to traffic performed by Nova Scotia trucks inside and outside the Province.

Source: DRS 53-207.

Table 5. For-Hire Trucks Total Mileage Travelled

	Nova Scotia	Canada ('000 Miles)
1958	15,925	1,299,274
1959	13,454	1,380,590
1960	13,526	1,349,359
1961	13,76	1,486,180
1962	12,560	1,506,662
1963	14,275	1,508,850
Change	-10.4%	+16.1%

Table 7. For-Hire Trucks (Total Tons Carried)

	Nova Scotia	Canada ('000 Tons)
1958	1,136	140,405
1959	1,439	145,413
1960	1,313	144,912
1961	1,359	156,712
1962	849	174,642
1963	1,234	185,132
Change	+11.6%	+30%

Table 9. All Trucks (Total Tons Carried)

	Nova Scotia	Canada ('000 Tons)
1958	15,338	460,313
1959	15,432	465,767
1960	13,422	478,702
1961	13,653	511,709
1962	12,343	525,695
1963	17,259	505,862
Change	+12.6%	+23.5%

yardstick to measure the importance of the industry. Statistics of this type are difficult to gather, but they are necessary.

An example of a disagreement in figures is the for-hire truck population in Nova Scotia. There is good reason to believe the Dominion Bureau of Statistics figures are too low. Their truck population figures are determined on a sample basis, and not in consultation with the Motor Carrier Division of the Board of Commissioners of Public Utilities which registers for-hire carriers in Nova Scotia. Registrations with the Motor Carrier Division indicate a higher truck population.

Below are some figures which show the increase in Nova Scotia public vehicle licenses issued from 1958-59 to 1964-65. This growth gives some indication of for-hire truck activity. Although about one-third of the increase is accounted for by bus drivers, all of the increase is by no means due to them.

Table 10. Nova Scotia Public Vehicle Driver Licenses*

<u>Year</u>	<u>Number</u>
1958-59	911
1959-60	1,845
1960-61	2,271
1961-62	2,736
1962-63	3,401
1963-64	2,895
1964-65	3,622

Source: Department of Highways
Annual Reports

*Public vehicle licenses include registered for-hire truck drivers, public passenger drivers (excluding taxis), school bus drivers, and combination public vehicle licenses.

Table 11. Nova Scotia Registered For-Hire
Freight Vehicles*

<u>Year</u>	<u>Nova Scotia</u>	<u>Extra Provincial Vehicles</u>
1963	1,633	2,370
1964	1,869	2,379
1965	2,184	2,635

Source: Department of Highways
Annual Reports

Data in Table 10 indicate that there has been an increase in the number of for-hire truck operators, and data in Table 11 indicate an increase in actual freight vehicles. (Extra-provincial vehicles are Nova Scotia carriers registered to operate outside the province.) It is noted that these trends do not agree with those of Table 4 in regard to for-hire truck population in Nova Scotia.

With the present available statistics no one can be positive as to where the industry stands. It is hoped that the Atlantic Provinces Transportation Study (See Appendix "A") now underway will provide some much-needed data. The information would be valuable to the industry as well as to government in developing guidelines and priorities in areas such as highway construction, and in assessing the suitability of present regulations for the industry.

OBSERVATIONS

Highway Freight - Statistics aside, it is generally agreed that the trucking industry in Nova Scotia has not kept up with its national counterpart, the main reason being that Nova Scotia does not have the volume of goods to move within the province. Also, the fact that the province is such a great distance from the large Canadian markets makes truck movement more difficult than from Montreal to Toronto, for example, where volumes are high and highway movement is fast.

*Registered by Motor Carrier Division, Board of Commissioners of Public Utilities.

Some main highways in Nova Scotia, while improving and being scenic for the passenger motorist, are not necessarily suitable for efficient freight transportation. Tight turns, narrow bridges and pavement, along with weight restrictions during the spring are not conducive to highway freight development. Nova Scotia is at present upgrading its trunk highways and this is a necessary step if there are to be good links and service between provincial urban centres. An all-weather, modern trunk-highway system is an essential target for the province to aim for. Extensive highway development will assist in the promotion of secondary manufacturing in the province which is necessary for an increased rate of economic growth. A good highway system is a large asset when selling the region to prospective manufacturers.

Stability within the trucking industry in Nova Scotia has improved, but there are still many splinter operations which operate on a day-to-day basis. Along with a modern highway system must come stable, well-managed highway freight operations. Co-operation will be necessary between shippers and receivers and truckers so that new equipment in one area can be used in conjunction with modernization in another.

Bus - Nova Scotia bus firms provide public highway passenger services in the province and give interline connections at Amherst to points outside the province. Bus companies provide parcel express and small-freight service within the province. This aspect of the business has been expanding and it is expected that the trend will continue. As railways decrease or discontinue passenger runs, bus companies are prepared to step in and take over most of these services. Increased activity in intercity passenger traffic will likely be the growth area for the bus companies as opposed to suburban runs. The major intercity bus company in Nova Scotia at present derives its largest revenue from highway passenger service and this trend is likely to continue. As modern trunk highways are built in the province, service by bus will likewise improve in terms of speed and efficiency.

Labour Force - Motor carrier driver labour force, according to census figures, showed no significant

increase between 1951 and 1961, going from 7,663 to 7,963. It is believed that there has been more growth in employment than indicated, but with presently available statistics this is difficult to show. According to industry spokesmen, a yearly increase in employment of up to about five per cent can be expected in the for-hire trucking industry.

MOTOR VEHICLE SEGMENT RECOMMENDATIONS AND BACKGROUND

The recommendations below are those that the Transportation and Communication Sector accepted from the segment for presentation to the Voluntary Planning Board. They are presented in two parts.

Part A recommendations were accepted by the Voluntary Planning Board, as in quotations below, and thus appear in the First Plan. (See Appendix "B".)

Part B recommendations were not accepted for inclusion in the First Plan for various reasons, and a brief statement of Board reaction to them follows each recommendation. Certain Part B recommendations may be accepted at a later date by the Board after further refinement and study by the sector.

Part A

1. Non-Nova Scotia Bus Regulations - The regulations governing the operation of out-of-province registered buses in Nova Scotia need to be reviewed. During the summer months, buses that are not owned in Nova Scotia may enter the province, providing a motor carrier license is obtained, and conduct local business within the province. There is no complaint with buses bringing people into the province, transporting them around and then out again. However, it does not seem fair that they are allowed to enter the province and compete with local bus companies for provincial business. The Nova Scotia bus industry is able to handle the planned tours and service demanded of it.

The granting of motor carrier licenses to outsiders to operate within the province puts Nova Scotia bus owners in a difficult position. In

order to encourage investment on the part of Nova Scotia bus companies, it is suggested that motor carrier licenses should not be issued to out-of-province buses to operate within Nova Scotia. A regular, modern, 41-passenger bus costs in excess of fifty thousand dollars and sudden or unpredictable competition from outside creates instability.

When leaving the province, Nova Scotia buses are strictly regulated as to the service they may perform. For example, they would not be allowed to operate within another province or state carrying that province's or state's domestic traffic. One method of making fair regulations would be to investigate the restrictions that states and other provinces have on foreign buses operating in their territory.

"In the interest of furthering the development of the Nova Scotia bus industry, a study should be conducted by the Nova Scotia Board of Commissioners of Public Utilities to ascertain the rules and regulations pertaining to foreign buses in other provinces of Canada and in the United States."

2. The Motor Carrier Act - The regulations of the Motor Carrier Act in Nova Scotia are similar to those of comparable acts in other provinces except in the matter of exemption from the act. Generally speaking, in regard to for-hire trucking operations, exemption in other provinces is based on the type of goods transported. For example, in New Brunswick and Prince Edward Island, transporters of unprocessed products of land, sea and forest moving to the first point of transshipment are exempt. In Nova Scotia, exemption from the Motor Carrier Act is based on the number of freight vehicles, rather than on the nature of the goods hauled. The exemption in Nova Scotia applies to operators with one or two 2-axle trucks. (Clause 3(1), Nova Scotia Motor Carrier Act.)

It can be seen that there are problems created by competition between for-hire carriers who must be

licensed and for-hire carriers who are not. As long as an operator has only two 2-axle vehicles registered in his own name he may compete against regulated carriers who must file their rates, meet insurance requirements, driver qualifications, and safety standards. The unregulated carriers are often able to undercut the rates of licensed carriers because of lower overhead costs. For the sake of a more stable trucking industry, it is suggested that all for-hire vehicles come under the regulation and that Section 3 of the Motor Carrier Act be removed and be placed under regulations. By putting Section 3 of the Motor Carrier Act under the regulations of the Act, any changes that are made may be done so by the Board of Commissioners of Public Utilities with approval by Governor in Council, rather than by an action of the Nova Scotia Legislature.

"Section 3 of the Motor Carrier Act should be repealed. All exemptions should be by regulations under the Motor Carrier Act."

3. Semi-Trailer Truck Registration - In Nova Scotia the registration of a semi-trailer and tractor (power unit) is on the basis of both units being separate motor vehicles. Each is registered separately. This policy has caused a curtailment in the development and use of the semi-trailer type vehicle.

Highway freight transportation includes the extensive use of the semi-trailer operation. The usefulness of these units lies in the fact that the semi-trailer may be uncoupled and left as a storage unit to await unloading. Meanwhile the tractor may couple onto another and carry on an almost round-the-clock operation. Specialized semi-trailers may also be used, e.g. open top or refrigerated units, thus making service more flexible. It is easy to see how this system facilitates the movement of goods. With more semi-trailers, the tractor unit is not idle as it otherwise would be.

When a semi-trailer is registered on the same basis as a tractor, there appears to be some

distortion. The trailer spends a good part of the time uncoupled from the power unit. It is also obvious that if there are two semi-trailers per tractor then the tractor cannot be pulling both semi-trailers at once. The point is that the semi-trailer in most cases is not on the highway as much as the power unit.

In New Brunswick and Prince Edward Island the registration fees are levied on the power unit and the semi-trailer is licensed for a token fee. In this type of registration the tractor is usually registered for the maximum combined gross weight (74,000 lb.) which allows the tractor to pull a single axle or a tandem axle semi-trailer.

It is suggested that semi-trailers should not be registered as separate vehicles, but should be issued an identification tag for a token fee. This would encourage the use of the semi-trailer type of operation, which is required for today's modern and diversified highway freight service. At present with the regular registration of the semi-trailer, operators are not encouraged to purchase another trailer because of the expense of registration. (\$1.05 per cwt.)

"Registration of gross weight of combination vehicles on the tractor (power unit) should be permitted with semi-trailers being issued an identification tag for a token fee."

4. New Commercial Vehicle Registration - The registration procedure for commercial vehicles at present allows a 60 per cent reduced fee when the application is made after September 1; a 3/12th fee in October; 2/12th fee in November; and 1/12th in December. This procedure does not include, however, a new semi-trailer. No matter what time of year one wishes to register a new semi-trailer, the full year's registration fee is required. If the registration of the full combined weight could be made on the tractor, this point would be overcome.

In order to encourage the purchasing of

commercial vehicles throughout the year, and to make the registration fee more in proportion to the amount of time the user may take advantage of that registration, it is suggested that registration take place on a quarterly pro-rated basis.

"New commercial vehicle owners should pay a registration fee on a quarterly pro-rated basis."

5. Piggyback - At present, properly licensed highway carriers may use the services of Canadian National Railways' piggyback operation, but only to and from the Maritime area. Only Canadian National Transportation Limited and furniture movers have use of the facility within the Maritimes. The committee feels that where ramps are available, piggyback facilities should be made available for intra-Maritime service to all properly licensed carriers for a suitable fee.

"Representation should be made by the Provincial Government to have the Canadian National Railways make available for a suitable fee, to properly licensed motor carriers, the facilities of piggyback service to all points within the Atlantic Provinces where ramps are available."

6. Non-Nova Scotia Motor Carriers and Provincial Fuel Tax - Nova Scotia has no regulation regarding the payment of fuel tax for motor carriers coming from outside the province. A truck or bus can come into Nova Scotia, use the highways, and leave again without purchasing fuel in the province. Non-Nova Scotia operators should pay a fair share of the fuel tax in the same manner that Nova Scotia operators are compelled to do. The out-of-province carrier, whether bus or truck, should pay a tax based on the miles travelled on Nova Scotia roads. One of the reasons that Nova Scotia gasoline and diesel fuel is not naturally purchased by non-Nova Scotia commercial vehicles is the relatively high fuel tax in the province.

Below is a schedule of gasoline and diesel fuel taxes per gallon in effect in the various Canadian provinces as of 1965.

Table 12. Provincial Fuel Taxes, 1965

	<u>Gasoline Tax</u>	<u>Diesel Fuel Oil Tax</u>	<u>Differential</u>
Newfoundland	19¢	19¢	0
Prince Edward Island	18¢	18¢	0
Nova Scotia	19¢	27¢	8¢
New Brunswick	18¢	23¢	5¢
Quebec	16¢	22¢	6¢
Ontario	15¢	20¢	5¢
Manitoba	17¢	20¢	3¢
Saskatchewan	14¢	17¢	3¢
Alberta	12¢	14¢	2¢
British Columbia	13¢	15¢	2¢

Source: Facts and Figures of the Automotive Industry, 1965 edition.

It can readily be seen that the Nova Scotia gasoline tax is one of the highest and that the diesel fuel tax in Nova Scotia is the highest in Canada. While Nova Scotia's gasoline tax is one cent higher than New Brunswick's and Prince Edward Island's, the diesel tax is nine cents higher than in Prince Edward Island and four cents higher than in New Brunswick.

One can see the obvious benefits of a motor carrier filling up in Maine or New Brunswick, travelling into, around, and out of Nova Scotia without buying fuel.

"Trucks and buses from outside the province should contribute their fair share of fuel tax, based on their use of Nova Scotia highways."

7. Communication of Highway Construction Plans And Highway Weight Restrictions - There is not sufficient communication between the Nova Scotia Department of Highways and the public regarding

future plans for highway construction and policy changes. When making decisions as to expansion of their service or increased investment, motor carrier firms would be assisted if they had more information on future highway construction. It is realized that highway programmes are not definitely set far into the future, but any information regarding future construction would be of value to the motor carrier industry which is generally feeling in the dark at present.

A further improvement is suggested in the notification of the public as to road opening and closing in the spring. This could be done by improved press and radio reports. The committee agrees that prompt notification should be given to the public of any change in weight restrictions during the spring road-closing period. At present, it is noted that sometimes information of allowable weight has not reached a weigh scale notifying it of a change and vehicles must travel lighter than is actually necessary. Any unnecessary lengthening of the spring weight-restriction period through slow communication should be avoided. This period of the year is very costly to the motor carrier industry.

"Better communication between the Nova Scotia Department of Highways and the public should be established regarding plans for highway construction, future policy and legislative changes when they are made. Furthermore, maximum advance notification of road weight restriction in the spring should be given through press and radio statements, along with prompt notification of changes in weight restrictions during the spring period."

8. Co-operation Between Shippers and Truckers - Any business that uses highway trucking service can help that service by co-operating with the carrier. The trucker should likewise co-operate as much as possible with the shipper.

One of the major problems of trucking companies is the slow-down of operations at the shipping

and receiving end of the service. The motor truck carriers submit the following points which would be helpful practices for the shippers to follow:

- a. All shipments should be clearly marked "Collect" or "Prepaid".
- b. All parts of a shipment should be clearly addressed by name. In cases where numbers are used in place of names, the numbers should be stamped on the parcels, not written.
- c. Receivers should have a rubber stamp to mark all shipping papers, especially receipts, as often the writing of the receiver is not legible. The use of a rubber stamp assigned to each receiver would also hinder forgeries and cut down on pilfering.
- d. Shippers should make every effort to curtail minimum shipments (under 50 lb.). Such shipments are costly for both carrier and shipper.

A better understanding of the customers' facilities and receiving schedule, more co-operation on the part of receiving personnel, and all-around understanding between shipper, carrier and receiver would undoubtedly result in better service.

"Efforts should be made to improve co-operation between shippers and receivers and the motor carriers."

Part B

9. Highway Weight Restrictions - A major transportation problem in Nova Scotia is the highway weight restriction in the spring. Motor carriers in many instances have to operate at a planned loss during this period. There is a need to determine just how much the economy of Nova Scotia loses during the spring road-restriction period in order to ascertain how urgent the need is for

all-weather trunk roads and other highways.

When making an expenditure for highway construction, the cost is taken into consideration along with the benefits that will accrue. Alternatives with the greatest benefits are usually picked as the priority projects.

Savings made in conducting a moderate highway construction programme over a long period may be overshadowed by losses to the economy through inefficient operation of highway transportation services. This type of inefficiency can result in a necessity for increased inventories for businesses in shortages and poor service. It is important that the motor carrier industry develop along with other sections of the economy.

In Nova Scotia the spring weight restriction results in a highway carrier axle load reduction from 18,000 lb. to 10,000 lb. on a single axle. On a tandem axle the reduction is from 32,000 lb. to 18,000 lb. There are drops in pay loads of about 43 per cent. It is readily apparent that it is very difficult for a motor carrier to operate under these conditions.

Spring weight restrictions are placed on the highways to avoid excessive damage during the thaw. These lower allowable weights make motor carrier operation very difficult. Loads must be reduced to an inefficient level, more trips made, and some vehicles must be laid up until the restrictions are lifted. It is obvious that these dampening effects on the motor carriers are carried through to other areas of the economy.

Industry people feel that motor carriers could operate efficiently and give reasonable service during the restriction period if they were allowed 14,000 lb. on a single axle and 24,000 lb. on a tandem axle. It is realized that an all-weather highway construction programme is underway. However, it will not be completed for many years. If more equitable weights were allowed, carriers could cut their number of trips by one-third during the spring. This in itself would reduce

axle load frequency on the highways, and also benefit the economy through better service.

"A study should be carried out by the Nova Scotia Research Foundation to determine the cost to the economy of Nova Scotia resulting from weight restrictions placed on highway transportation during the spring period, and further, a survey of main trunk highways should be made to determine their capacity to carry greater weights during the spring period than those now permitted."

"Until all-weather highways are completed the spring weight regulations should permit 14,000 lb. on a single axle and 24,000 lb. on a tandem axle."

(These recommendations were referred to a special committee which would consider setting up a joint Nova Scotia and New Brunswick committee or authority on spring period weight restrictions. The committee is at present considering preliminary research done on the topic.)

10. Medical Exams for Chauffeurs - Although many chauffeurs working for private fleet operations have proper physical examinations and optical tests, there is no law which requires this. Under the Motor Carrier Act, however, for-hire carrier chauffeurs must have regular physical and optical examinations.

The problem created here arises when an operator of a for-hire truck cannot meet physical and optical standards and is disqualified. He can still get a job with a private fleet operation and thus endangers all who travel the highways.

The committee suggests that there be a requirement for all chauffeurs to have a proper physical and optical examination at regular intervals.

"All chauffeurs should be required to have physical and optical examinations as prescribed under the Motor Carrier Act."

(The Board wanted more qualifications in the number of chauffeurs to be covered by this recommendation. It felt "all", which includes about 46,000 chauffeurs, was too general. However, they agreed with the principle behind the recommendation.

11. Diesel Fuel Tax - The use of large diesel units is increasing. These vehicles run more efficiently than the conventional gasoline-driven trucks. Motor carrier firms are discouraged from modernizing their fleets, however, when the advantage of the diesel truck is cancelled by an excessive diesel fuel tax.

To accentuate this high fuel tax rate, Nova Scotia roads are generally hilly. Sharp curves, which require constant acceleration and deceleration, mean that vehicles operating over these roads for an extended period consume more fuel than their counterparts in central Canada.

It is felt that the high diesel fuel tax is out of line and the committee suggests a more reasonable one. It is expected that a move in this direction would result in a more efficient motor carrier service and give motor carriers lower operating costs to meet competitive rates.

"Diesel fuel tax should be in line with other provinces of Canada."

(The Board was of the opinion that other Atlantic provinces will likely increase their fuel tax up to a level closer to Nova Scotia's as highway construction demand increases.)

12. Unlicensed Solicitation of Passengers - Bus firms have suggested that a portion of their business is lost to unlicensed people who offer services as a for-hire passenger carrier. An example of this would be a notice in a newspaper stating that a car will be leaving point A for point B, and that for a small fee passengers will be welcome. People placing such notices do not have a motor carrier license and it is

suggested that they be prohibited from offering such a service.

"The Motor Carrier Act should be amended to prohibit unlicensed persons from advertising as a passenger carrier."

(The Board felt this would be too difficult to enforce.)

13. Co-operation in Answering Statistical

Questionnaires - Any decisions that are made in regard to highway construction or any change in policy related to the motor carrier are facilitated by proper statistics. The requests of the trucking industry for more consideration by governments and other organizations will be much stronger if co-operation is secured in the answering of questionnaires such as those of the Dominion Bureau of Statistics. The required information is very important in evaluating the size and scope of the motor carrier industry, and questionnaires should be completed accurately and promptly.

"Motor carriers should co-operate with the Dominion Bureau of Statistics by filing reports accurately and promptly."

(See comments on recommendation below.)

14. Management Procedures - In order that motor carrier firms be able to answer the Dominion Bureau of Statistics annual questionnaires, they need to be able to understand their own operation and to conduct good business practices. Most of the large motor carrier firms are in a position to provide data, but a large percentage of the total number of firms do not know where they stand. Their businesses are run on a day-to-day basis. It is necessary for an expanding motor carrier industry to know where it stands from year to year, and management should make an all-out effort to conduct its operations on an efficient level.

An improvement in management procedures and

accounting measures will result in more progressive individual operations along with a stronger industry in general.

"There should be encouragement of good business practices among motor carriers in Nova Scotia."

(The Board felt that this recommendation and the above one should not appear as recommendations from the Transportation and Communication Sector, but rather would be discussed in the First Plan as applying to all sectors.)

CHAPTER V

SHIPPING SEGMENT

BACKGROUND

Shipping Activity - The shipping industry in the province covers water transport and related activities. The industry has grown during the past 10-year period, but not as much as desired. As a complement to Nova Scotia's economic development, the shipping industry must provide adequate facilities for the movement of goods to and from the province, especially of goods for export.

Two tables are shown giving shipping volumes of international and coastal trade respectively in Nova Scotia. In Table 13, the number and net registered tonnage of vessels arriving and departing from Nova Scotia ports in international trade is given, along with the total cargo unloaded and loaded in international shipping. From the data in this table it can be seen that total cargo tonnage over Nova Scotia ports has been increasing during the 10-year period. The number of vessels arriving at and departing from Nova Scotia ports has remained relatively steady while net registered tonnage is likely due to larger vessel sizes. Table 14 shows that, in coastal trade, vessel numbers have decreased, but net registered tons have increased. Cargo loaded and unloaded in coastal trade has increased slightly during the 10-year period.

General Cargo - Figures for general cargo tonnage are available for Halifax but not for the province as a whole. One of the reasons for the importance of general cargo over a port is that it creates more revenue per ton than any other cargo. It gives a port a return of approximately \$14-\$16 per ton as opposed to between one-third and one-quarter of this amount for a bulk cargo which does not require the same amount of manpower for unloading and loading. Another aspect of general cargo is that it indicates shipping activity related to manufacturing or processing. The greater the amount of shipping catering to this type of cargo, the more service there is for local producers. If there is to be an increase in

Table 13. Number and Registered Net Tonnage of Vessels
Arrived and Departed from Nova Scotia Ports;
Total Cargo Loaded and Unloaded
in International Trade

<u>Year</u>	<u>Number Of Vessels</u>	<u>Net Reg. Tons</u>	<u>Cargo (Tons)</u>
1954	7,743	12,722,587	6,087,756
1955	8,726	13,891,669	7,571,287
1956	8,382	15,621,086	8,810,993
1957	8,088	15,389,097	8,121,402
1958	8,625	14,633,531	7,119,477
1959	8,452	16,106,171	9,262,521
1960	8,437	15,373,334	9,144,011
1961	8,373	15,010,709	9,064,483
1962	4,456*	14,924,885	9,735,673
1963	4,208	14,988,815	10,740,950
1964	4,283	15,894,282	11,669,880

Source: DBS 54-203, Part II

*Fishing vessels excluded.

Table 14. Number and Registered Net Tonnage of Vessels
Arrived and Departed from Nova Scotia Ports;
Total Cargo Loaded and Unloaded
in Coastwise Shipping

<u>Year</u>	<u>Number Of Vessels</u>	<u>Net Reg. Tons</u>	<u>Cargo (Tons)</u>
1954	13,814	7,868,978	5,106,521
1955	13,107	7,672,117	3,505,851
1956	13,174	8,109,044	5,089,820
1957	11,717	8,303,632	5,364,051
1958	11,190	9,101,307	5,457,691
1959	11,432	10,578,610	5,908,373
1960	11,311	10,695,694	5,953,101
1961	10,966	10,874,994	6,062,430
1962	10,888	10,350,623	5,860,369
1963	10,530	10,818,402	5,404,810
1964	10,773	11,450,792	5,905,254

Source: DBS 54-204

export-oriented production in the province or an increase in certain types of assembly or processing firms that depend on imports, then general cargo shipping service will be very important.

Most of the international general cargo moving through Nova Scotia is by the port of Halifax and therefore Halifax data give a good indication of how much of this type of cargo is coming through the province. Although general cargo may be small in terms of port tonnage, it is high in terms of the percentage of total port revenue it creates. Below in Table 15 are the general cargo figures for the port of Halifax for the 1954-65 period.

Table 15. General Cargo - Halifax

<u>Year</u>	<u>Tons</u>
1954	992,316
1955	1,186,801
1956	1,173,759
1957	1,052,684
1958	945,465
1959	1,088,347
1960	1,045,965
1961	1,131,513
1962	1,126,615
1963	1,098,300
1964	1,196,508
1965	1,280,835

Source: Port of Halifax Commission

It will be noted that the tonnage has remained relatively static over this period. It must be remembered that the tonnage figures in Table 15 are annual ones and do not indicate the seasonality of the operation of the port. If monthly figures were available, one would see a very large portion of the yearly tonnage total moving during the months of December through March. One of the major problems that results from this occurrence is a shortage of facilities at the port to handle peak volumes during the three or four month winter period, with often a slow-down in service provided to ships using the port.

There are times during this rush season, when ships cannot be unloaded promptly and must wait at their own expense. The other side of the problem is that for eight to nine months of the year the port loses a great deal of its general traffic to St. Lawrence River ports and does not require additional facilities to so great an extent. The resultant dilemma is that there is a need for better facilities to handle the winter traffic, yet new facilities should be economically utilized throughout the year to make them worthwhile. Also, Nova Scotia producers are often left with insufficient shipping services for a good part of the year. Careful study of this odd situation is vitally necessary.

Competitive position - As mentioned above, Nova Scotia has been losing shipping traffic to St. Lawrence River ports. Originally, during much of the winter when the St. Lawrence River was frozen, shipping traffic moved through the ports of Halifax and Saint John. This is still often the case even though each year the closing season of the St. Lawrence becomes relatively shorter as a result of ships taking advantage of federal ice-breaking operations on the river, as well as of advances in the design of ships enabling them better to handle winter conditions. Although winter traffic over the port of Halifax has been increasing slightly, it has not increased nearly as much as it might have, had the extension of the St. Lawrence River season not taken place. A probable continuation of this trend must be faced by Nova Scotia. Unless Halifax, the main provincial port concerned, can reassess its competitive position, it is possible that eventually winter shipping levels will drop to near summer levels. This will mean a decrease in revenue for the port as well as a loss of jobs for the men who depend on the winter activities for part of their livelihood. This is not to mention the serious effects it would have on the province's present and future export potential.

Halifax has also to compete with eastern American ports which offer more shipping frequency service to a greater variety of overseas ports, and which are located closer to central Canada. At present, imports destined to central Canada coming under the Commonwealth Preferential Tariff favour Halifax to American

ports. This is so because imports which are landed at an American port are subject to the Most Favoured Nation Tariff which is generally higher than the Commonwealth Preferential Tariff. Any tendency towards lower tariffs makes the difference between the two rates less and affects the competitive position of Halifax. Any decline in the relative position of Commonwealth imports to Canada would also affect the business of the port of Halifax.

Major United States east coast ports (mainly New York) are rapidly developing facilities to handle containerized traffic, which is already a booming business. Any port wishing to be a part of this transportation revolution will have to act quickly.

One alternative is for Nova Scotia to modernize its port and make it competitive on a year-round basis on its own merits. Year-round traffic with good frequency to a variety of export markets would be of great benefit to Nova Scotia's economic development.

As the fate of the port of Halifax will have a large bearing on the future growth of the province, it is recommended that exhaustive investigation be made of the possible advantages that Halifax enjoys over other Atlantic and St. Lawrence River ports, apart from the obvious asset of being open all year. It is widely felt that there are such advantages, that they can be developed and that action in this direction is imperative. For example, huge bulk carriers could utilize the excellent harbour depths in Halifax, and with rapid transportation to central Canadian points, could well give it a competitive edge over other ports. Possibilities for the port to be a part of the container revolution should be explored. As the Nova Scotia economy cannot support a full-fledged port, central Canadian and American overseas traffic should be encouraged to move through Halifax, which is a logical North Atlantic terminal for container service with the United Kingdom and Europe. Success in this endeavour would help bring industry to the area along with an increased and more diversified shipping service for Nova Scotia export commodities. Any move in this direction would have to include good inland connection service by rail and road. Rail rates will play an important role.

Passengers - To give some idea of international passenger traffic, some figures on the port of Halifax are provided. Table 16 shows the decline in the number of passengers landed and embarked by vessels arriving and departing from the port. People passing through the province to or from the port of Halifax generate considerable revenue therefore the drop means a loss in income to the province, as well as the possibility of losing shipping service if passenger traffic declines.

Table 16. Port of Halifax

Number of Foreign Passengers
Landed and Embarked by Vessels

	<u>Landed</u>	<u>Embarked</u>	<u>Total</u>
1958	36,523	5,166	41,689
1959	34,084	5,033	39,117
1960	25,452	4,063	29,515
1961	16,541	2,158	18,699
1962	13,287	1,258	14,545
1963	15,151	1,463	16,614
1964	14,655	1,052	15,707
1965	15,517	601	16,118

Source: National Harbours Board

The loss in passengers to the port of Halifax has been a result of increased travel by air as well as a tendency for immigrants to take advantage of the relaxation of a law which made it necessary for all Canadian immigrants coming by ship to enter through a Canadian port. At present the law states that the immigrants must come through Canadian ports except that up to 99 immigrants per ship are allowed to enter Canada through American ports.

Ferries - In Table 17 and Table 18 are given activity data on the two main ferry connections in Nova Scotia. Table 17 refers to traffic carried between North Sydney and Port Aux Basques, Newfoundland. Each category here, except buses, shows an increase of between 80 and 85 per cent from 1961 to 1965. It is interesting to note the improved proportion of loaded trucks as opposed to empties travelling on the ferry.

In 1961, 44 per cent of the total number of trucks were loaded while 56 per cent were empty. The 1965 figures were 57 per cent and 43 per cent respectively. This indicates an improved two-way haul situation which makes for a much more efficient operation. One drawback to this ferry service is the 34 foot limitation on truck length. This handicap will be alleviated with improvements of facilities by 1967.

Table 17. Traffic Carried Between
North Sydney and Port Aux Basques (1961 to 1965)

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>% *</u>
Pass- engers	66,736	73,833	92,055	106,690	122,187	+ 83
Autos	12,254	14,567	16,987	20,443	22,832	+ 86
Trucks:	1,739	2,235	2,686	2,877	3,259	+ 86
Empty	976	1,120	1,409	1,341	1,417	(+ 15)
Loaded	763	1,115	1,277	1,536	1,842	(+141)
Trailers	603	773	977	784	1,091	+ 81
Buses	13	47	25	9	14	

*Percentage change from 1961-1965.

Source: CNR Passenger Sales Department

Table 18. M.V. Bluenose Traffic

<u>Year</u>	<u>Passengers</u>	<u>Automobiles</u>	<u>Trucks</u>
1956	93,513	27,297	1,621
1957	96,527	27,999	2,404
1958	87,833	26,185	2,583
1959	91,572	27,322	2,530
1960	93,547	27,681	2,920
1961	88,615	26,206	2,895
1962	86,192	25,641	2,762
1963	90,195	26,137	3,010
1964	88,192	25,886	3,149
1965	92,553	27,688	3,312

Source: Department of Trade and Industry Annual Report, 1964; Nova Scotia Maritimes Transportation Commission

In Table 18, the volume of traffic plying between Bar Harbour, Maine and Yarmouth, Nova Scotia is given.

Passenger and automobile traffic volumes have fluctuated over the years, but have not shown much growth, whereas motor truck traffic has doubled. The busy time for the ferry begins with the tourist season in May, rising to a peak in July and August, and declining in September. The problems with this service are again of a seasonal nature. During the busy season there would be value in having more capacity for private automobiles. The number of automobiles drops considerably during the off-season and capacity is not utilized. The ferry has a capacity for eight semi-trailers and nine straight trucks and, for all intents and purposes, excess automobile space cannot be utilized effectively by freight carriers. Due to the small truck capacity it is suspected that many potential users choose to take the highway route rather than attempt to go through the process of getting on a waiting list and making reservations.

The ideal situation would make available excess automobile capacity for highway freight vehicles. However, once this traffic built up, a bottleneck would arise during the tourist season.

If Nova Scotia expects to expand its activity in the New England market, adequate facilities must be ensured to handle an increase in truck traffic between the two areas. Included would be improved ferry capacity to complement an improved truck highway network in the province. Improved service, of course, would also encourage increased tourism in the province.

Employment - The number of persons employed in activities related to water transport varies greatly throughout the year just as the previously mentioned port volumes do. Much work is created during the busy winter months and, conversely, during the summer months traffic is lighter and so employment levels drop. Table 19 shows the monthly fluctuation in water transport employment in Nova Scotia. It does not show the actual number employed but indicates the variance in employment between summer and winter. The actual number of persons employed in water transport is estimated to be between 3,000 and 3,500.

Table 19. Employment Index - Water Transport

(1949 = 100)

	(July	58.5
	(August	55.3
1963	(September	55.4
	(October	55.3
	(November	47.4
	(December	131.8
	(January	133.1
	(February	141.1
1964	(March	126.7
	(April	66.7
	(May	61.5
	(June	63.7

Source: DBS 72-002

The table shows that from December to March employment was high while during the remainder of the year employment was about one-half of the winter level. It can be seen that if winter levels of activity were to drop to summer levels, many jobs would be lost and the resultant income loss would be great.

On a yearly basis, water transport employment in Nova Scotia has been dropping since 1947 and has decreased faster than the national rate. This is evident from the data in Table 20 which again show the relative drop.

Table 20. Employment Index - Water Transport

(1949 = 100)

<u>Nova Scotia</u>	<u>Canada</u>	<u>Nova Scotia</u>	<u>Canada</u>
1947 - 91.0	96.1	1955 - 99.8	95.9
1948 - 109.6	104.2	1956 - 93.6	101.7
1949 - 100.0	100.0	1957 - 83.5	100.1
1950 - 82.8	90.9	1958 - 77.2	96.9
1951 - 94.8	97.1	1959 - 83.2	94.6
1952 - 107.5	103.5	1960 - 78.4	92.7
1953 - 97.7	99.3	1961 - 85.7	90.2
1954 - 97.0	95.4	1962 - 79.8	90.5
		1963 - 75.5	90.7
		1964 - 84.7	94.0

Source: DBS 72-201

It is safe to say that direct and indirect employment levels in shipping activity will not increase unless there is a change in the development of selected ports. General cargo traffic means more jobs, as traffic such as grain and other bulk commodities does not require the same man hours of labour for loading and unloading. Thus an increasing total tonnage does not necessarily mean more revenue and work for a port. To capture more desirable traffic, efficiency and automation in handling will have to increase. This may mean direct employment decreases in present multi-handling jobs. The indirect benefits that will accrue through port development and increased activity would, however, create a net gain in jobs. One of the difficulties of the industry is the monthly fluctuation in demand for labour. It is difficult for the labour supply to be kept at a level to fill periods of peak demand. If men are kept on hand to meet peak periods, they may be idle much of the time. The result is that there are sometimes labour shortages for busy periods during the winter season. Steady activity on a year-round basis would be better for all concerned.

A significant decrease in employment will be taking place as modifications are carried out on the North Sydney ferry terminal and the facilities which operate from it. Approximately 550 stevedores will be displaced during 1967 and 1968. The ferry operation is at present the second largest provider of work in the community and this displacement will have a seriously depressing effect on the economy of that area unless adequate measures are taken. The problem is being given careful study at present so that the situation may be handled when it occurs.

SHIPPING SEGMENT RECOMMENDATIONS AND BACKGROUND

The recommendations below are those that the Transportation and Communication Sector accepted from the segment for presentation to the Voluntary Planning Board. They are presented in two parts.

Part A recommendations were accepted by the Voluntary Planning Board, as in quotations below, and thus appear in the First Plan. (Appendix "B")

Part B recommendations were not accepted for inclusion in the First Plan for various reasons, and a brief statement of Board reaction to them follows each recommendation. Certain Part B recommendations may be accepted at a later date by the Board after further refinement and study by the sector.

Part A

1. Grain-Handling Facilities - There is a lack of grain-handling facilities in Nova Scotia. Grain exports are very important to the province and make up the second largest tonnage exported over Halifax, exceeded only by crude gypsum. It is not only the movement of grain itself which creates revenue (grain is not a great generator of man hours of labour), but it encourages general cargo ships to call on the port and enables them to make their return voyage with a part or full cargo of grain.

It is felt that there is a potential for increased grain-handling facilities in Nova Scotia. Western feed grains are shipped via the all-water route from the lakehead to Halifax. Present storage capacity in Nova Scotia will, if not increased, reduce the potential volume of export grain due to growing domestic needs. At present, 3,200,000 bushels of feed grain must be stored at the close of navigation of the St. Lawrence for Maritime use during the winter. The Halifax elevator has a capacity of 4,125,000 bushels. Thus if Nova Scotia is to handle export grain satisfactorily, another 3,000,000 bushel elevator is needed at Halifax, or at Sydney or Canso, for export grain only.

"There should be an expansion of grain-handling and storage facilities in Nova Scotia to about 6 or 7 million bushels to take advantage of the cheaper transportation of grain via the St. Lawrence Seaway and thereby be able to maintain a local supply as well as to increase the export of grain through Nova Scotia ports."

Part B

2. Bill C-120 or Successor - The Shipping Segment is concerned with a new bill similar in nature to Bill C-120, which was not moved to completion by the Federal Government. The new bill is likely to come up in the fall of 1966. As transportation is a major component of the economy of any area and especially of Nova Scotia, any major proposed change in the present structure, which a bill such as this could result in, should be closely scrutinized.

The Maritime Freight Rates Act was brought into effect in order to put Maritime manufacturers and shippers on a competitively equal basis with central Canadian interests as far as rail transportation costs were concerned. Over the years the equalization, which this act was supposed to accomplish, has been eroded by horizontal railway freight rate increases. These increases have been felt in Nova Scotia and the Atlantic region more than in central Canada because of the lack of alternative modes of freight transport offered in the Maritimes.

Competition with the railways in central Canada brought about competitive rail rates and agreed charges. Competitive pressure has come basically in the form of expanding motor truck service. In Nova Scotia, however, there has not been the same competitive pressure and thus railways have been able more fully to apply horizontal freight rate increases.

It is not only felt that Bill C-120, or its successor, would not solve present transportation problems in the Maritimes, but that its passage would put Nova Scotia and the Atlantic region in a comparatively worse position than at present. The following reasons are presented to support these views.

- a) The bill does not affect the Maritime Freight Rates Act which is ineffective in serving its original purpose.

- b) The bill may disturb port of Halifax parity with Saint John and other ports.

NOTE: This is because the rates to be set under the bill will be compensatory ones. Cargo moving through Halifax may move through Saint John to take advantage of a lower rate. Port parity as it now stands means, for example, that export and import rates between Toronto and New York are on a parity with rates between Toronto and Halifax or Saint John despite the greater rail distances to Canadian Atlantic ports.

- c) The point of compensatory rates will affect all industries especially those considering a new location. The further from the point of product destination, the higher will be the transportation cost.
- d) The bill suggests that the maximum rate for a captive shipper will be variable cost plus 150% of that cost for a 30,000 lb. carload, which, it is suspected, is higher than most existing rates. Furthermore, for shipments which load over 30,000 lb. the markup is much greater.
- e) A captive shipper will have the right to ask the Board of Transport Commissioners to set this maximum rate which will then be set as mentioned in (d) above. However, a small shipper will likely be hesitant to get involved in such procedures due to the lack of familiarity with rates of time and of ability to undertake such measures.
- f) The bill removes all prohibitions against unjust discrimination.
- g) There is no effective ceiling for heavy loading of low-value primary products.

As Bill C-120 relates railway rates closely to rail costs, the economic geography and topography of Nova Scotia will play a role. Low industrial density in Nova Scotia combined with rail lines

that must navigate steep gradients and sharp curves will mean higher freight rates. Nova Scotia has also to face the ever-present problem of being a long distance from the large central Canadian market as well as having no effective competitive alternative to railway freight carriage on the long hauls.

An Atlantic Provinces transportation study is now underway, and the Shipping Segment would like to support the view that any change in rail rate structure for this region before this study is complete would not be in the best interests of Nova Scotia.

"Whereas the Shipping Segment is deeply concerned about future federal rail legislation on the economy of Nova Scotia and particularly shipping through the port of Halifax, the Voluntary Planning Board should support the views of the Maritime Transportation Commission."

(The Board felt that this point could be covered satisfactorily in the institutional section of the First Plan.)

3. Ocean Shipping Rates - Ocean shipping rates from Halifax appear to be a problem to some shippers in Nova Scotia. The main concern is that Halifax, though in many cases closer to an overseas destination, is not able to take advantage of a lower rate as a result of the shorter steaming distance. The freight charge from Halifax to Liverpool on apples, for instance, is the same as the charge from Montreal to Liverpool. Exporters from Montreal, Boston and New York also have a higher frequency of sailings as well as sailings to other ports in the United Kingdom and thus are relieved of the rail haul charge from Liverpool to the inland United Kingdom destination. Nova Scotia shippers would like to have an ocean freight rate based on steaming distance which would compensate them for the cost of the rail haul from Liverpool to the United Kingdom destination.

The problem is one of economics of operation. If international shipowners found it profitable to increase sailings, they probably would. They like any other business operators, are out to cut their losses and are interested in providing a service where volumes will be high. Exporters in Nova Scotia often experience difficulty in obtaining sailings to the United Kingdom and the Continent, however, and would like to see a review made of sailing frequency from the province.

"In view of the generally shorter steaming time from the United Kingdom and the Continent to Nova Scotia ports as compared with St. Lawrence and United States east coast ports, the Trans-Atlantic Conferences should be asked to grant a favourable differential in all or most ocean freight rates to Nova Scotia ports, and that in view of the well known difficulties that Nova Scotia exporters find in obtaining sailings to United Kingdom and continental ports other than Liverpool, the Trans-Atlantic Conferences should be asked to review frequency of sailing from Nova Scotia ports with a view to improving same." (The foregoing refers to the open season of the St. Lawrence.)

(It was suggested that discussion of this nature should appear in the institutional section of the First Plan.)

4. Nova Scotia Overseas Exports - There would be great value in determining just how much cargo shipped overseas from Nova Scotia must be shipped over Montreal and also the amount of overseas cargo coming to Nova Scotia over Montreal. Such a determination would indicate how much need there is for increased frequency of sailings to and from Nova Scotia. Furthermore, it also would be beneficial to determine whether or not there is a potential volume of Nova Scotia goods not now being produced but which would be if more shipping services were available.

"The committee recommends that a study should be made by the Department of Trade and Industry to determine:

- a) the volume of Nova Scotia originating goods exported and imported over non-Maritime ports.
- b) the potential volume of Nova Scotia goods not presently moving but which could be exported or imported if shipping were available at Nova Scotia ports.

(The Board felt that this recommendation should be more specific before it is dealt with. As this study could be large or small depending on what is desired, the Board asked for more information such as scope, cost estimate, and the agency that might make the study. The Board would like more direction from the sector.)

Port Heavy-Lift Facilities

- 5. "In view of the fact that it seems that the two major ports in Nova Scotia could make good use of better heavy-lift facilities (Halifax - 150 to 200 tons) (Sydney - 50 tons), a study should be made by the Department of Trade and Industry of the feasibility of such a project. The committee is aware that the economic justification would lie in the potential for attracting heavy-lift and other general cargo which would be discharged and loaded from vessels using the facility, rather than the direct revenue from the lift facility."

(The Board felt there was not enough evidence to support this recommendation.)

The Effect of St. Lawrence River Winter Traffic

- 6. "In view of the cargo losses of Nova Scotia ports to St. Lawrence River ports as a direct result of Federal Government ice-breaking services in the Gulf of St.

Lawrence, Nova Scotia should make recommendations to the Federal Government that the present federal policy in this connection be strictly adhered to, i.e. that ice breakers operating in the river west of Quebec City are solely for anti-flooding purposes and shall not assist commercial vessels."

(The Board considered this recommendation but could not support the view.)

Port Immigrant Traffic

7. "In view of immigrant traffic losses at Nova Scotia ports and the danger that if these losses increase, the vessels concerned may cease to call on Nova Scotia ports, the Provincial Government should recommend to the Federal Government that the agreement between American export lines and the Department of Immigration, whereby up to 99 Canadian bound trans-Atlantic immigrants are permitted to disembark at a United States port rather than a Canadian port, not be renewed at its termination in February, 1967."

(The Board did not support this recommendation as it felt it was not an overriding factor in the loss of shipping traffic.)

Nova Scotia Port Development

8. "The Provincial Government should select the more important Nova Scotia ports for survey and development and that wherever a port has sufficient shipping traffic to warrant it, a public transit shed should be made available."

(The Board wanted clearer terms of reference before embarking on a study of this nature.)

CHAPTER VI

AIR TRAVEL SEGMENT

BACKGROUND

Other than private concerns and flying clubs there are two major airlines that serve the province of Nova Scotia. The main airports with regular scheduled services are located at Halifax, Sydney, New Glasgow and Yarmouth.

Air Activity - As in Canada, Nova Scotia air freight and passenger business has increased rapidly since the Second World War. Airlines were originally concerned with the passenger side of their business except for limited mail and air express; however, air freight and air express have now become very big factors in any major commercial airline operation. Below in Table 21 is shown the increase in passengers and revenue goods of Canadian air carriers from 1960 to 1964. It is interesting to note that freight increased faster than the passenger business in 1963 and 1964. In 1965, Air Canada's national passenger traffic was up 13 per cent while air freight increased by a surprising 36 per cent and air express gained 27 per cent. The traditional idea that aircraft carry just light, high-value goods has gone. Many businesses are discovering that they can air freight items that could not possibly be moved in that manner before.

Table 21. Passengers and Revenue Goods
Canadian Air Carriers

	<u>Passengers</u>	<u>± %</u> <u>Change</u>	<u>Revenue</u> <u>Goods</u> <u>(Tons)</u>	<u>± %</u> <u>Change</u>
1960	4,726,849	+ 1.0	118,993	+ 1.0
1961	4,949,283	+ 4.7	113,855	- 3.0
1962	5,268,799	+ 16.0	118,281	+ 3.7
1963	5,633,480	+ 6.9	129,030	+ 9.1
1964	5,779,429	+ 6.8	135,098	+ 7.6

Increased air activity in Nova Scotia is evidenced by the fact that Halifax received a new International Airport in 1961. Sydney is shortly to have a new air terminal. Air freight deplaned in Nova Scotia in 1965 amounted to approximately 2.4 million pounds. According to airline spokesmen, air freight capacity is almost fully used on incoming flights to the province. There is, however, excess freight capacity on many outbound flights.

Air transportation as a service for passengers appears to have a bright future. Over 350,000 people travelled to and from Nova Scotia's two main airports in 1965. An increasing number of passengers will travel by air and there is no reason to expect that the demand cannot be met. Increased service results when airlines feel that traffic will warrant the addition. An example is the inauguration in 1965 of the flight from Halifax to Bermuda. Summer overseas flights originating from Halifax have also been put into effect.

Table 22 shows the relative change from 1960 to 1965 in various categories of operations for the major airline serving the province.

Table 22. Relative Change in Activity by Air Canada
Sydney and Halifax Airports

A - Halifax

Year	<u>Passengers</u>		<u>Freight</u>		<u>Express</u>	
	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>
1960	100	100	100	100	100	100
1961	113	116	109	130	128	122
1962	119	117	153	170	129	130
1963	121	120	187	196	135	135
1964	129	125	225	295	159	141
1965	146	143	324	387	199	180

B - Sydney

Year	<u>Passengers</u>		<u>Freight</u>		<u>Express</u>	
	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>
1960	100	100	100	100	100	100
1961	102	100	109	119	122	96
1962	100	98	149	101	127	103
1963	102	95	177	81	141	119
1964	102	98	223	112	182	143
1965	113	108	303	77	233	135

Source: Index based on information from Air Canada News Services.

This table reveals healthy increases in almost all categories, especially freight volumes to and from Halifax.

Implications of Air Freight - Of paramount importance to Nova Scotia and its efforts to increase its economic growth rate is the freight side of air transportation. One of the major problems the province has had and will always have is that it is a great distance from any major market, with the possible exception of the New England area. Air freight can help to overcome this difficulty. Three advantages of using this service are time saved, decreased need for inventory and warehouse space, and the protection of perishables. Air freight capacity out of the province has increased but not as much as it might have if it were utilized more fully. There are many manufacturers who might be able to use air service, but who are not aware of the possibilities. It is the airlines' job to promote and disseminate information regarding their service and it is the businessman's responsibility to explore all the various alternatives he has at his disposal. In the United States and between major centres in Canada, demand for air freight and air express service has resulted in a huge increase in the volume of goods carried by air. If businesses feel that they might be able to expand their sales market and decrease cost per unit by utilizing this service then the possibility should be explored as improved productivity is one of the main goals of economic development. The province of Manitoba is looking toward air freight to solve some of its isolation problems and plans to

encourage the use of this mode of transport.

At present, Nova Scotia has limited air freight service originating in the province for the West Indies, overseas and to New England, but with good capacity to Central Canada.

Employment - Census figures show an increase in the Nova Scotia air transport labour force between 1951 and 1961 from 158 to 514. It is unlikely that the employment in this segment will grow very much in the future due to technical innovations which are able to handle increased volumes of business.

AIR TRAVEL RECOMMENDATIONS AND BACKGROUND

The recommendations below are those that the Transportation and Communication Sector accepted from the segment for presentation to the Voluntary Planning Board. They are presented in two parts.

Part A recommendations were accepted by the Voluntary Planning Board, as in quotations below, and thus appear in the First Plan. (See Appendix "B".)

Part B recommendations were not accepted for inclusion in the First Plan for various reasons, and a brief statement of Board reaction to them follows each recommendation. Certain Part B recommendations may be accepted at a later date by the Board after further refinement and study by the sector.

Part A

1. Small Airstrips - With the proper promotion, several small airstrips around the province could be made into worth-while developments. There are a large number of small private aircraft owners in New England who could take advantage of these increased facilities if they were made aware of them. By air, Nova Scotia is only a short distance from most New England airports and small aircraft owners are always looking for new places to fly to. In the next few years, private aircraft travel will increase for both business and pleasure, and Nova Scotia should be ready to handle and promote traffic into this area. Small

airstrips do not need to be asphalt in order to be successful and much of the promotion of them could be handled by local boards of trade. It is suggested that the cost of any small airstrips should be shared by the Federal, Provincial and Municipal Governments.

In March, 1965, a major change was announced in the Department of Transport's capital assistance policy toward airport construction. Up until the time of the announcement, federal assistance to municipal and other bodies was limited to 50 per cent of the capital cost for local and development airports. This amount, however, was not to exceed \$100,000. The present policy has dropped the 50-50 limitation and will instead be based on the strict requirement that the local body assumes full responsibility for operation and maintenance of the airport. If land is needed for the airstrip, the municipality or public body will be required to provide it. Outright contributions for small airfields in remote areas have been increased from \$50,000 to \$100,000.

"The Department of Trade and Industry should encourage municipalities to take further advantage of federal assistance in the construction of small airstrips in Nova Scotia."

2. City-Airport Travel - A problem with many new and large airports is that, for a short-range flight, the time taken for travelling to and from the airport is as long or longer than the flight itself. In the United States, helicopter service was thought to be the answer, but it has been found to be very costly and most airports cannot afford it.

The Halifax International Airport is about twenty-five miles from downtown Halifax which means that a considerable amount of time is spent going to and from the airport. As there is such a distance involved, it is imperative that an efficient service be available so that passengers do not have to spend too long between arrival at the airport and arrival in downtown Halifax. Irregular flights make provision of an airport-

city transportation system difficult as often equipment is idle, while at peak periods adequate service is difficult to supply.

"The Nova Scotia Board of Commissioners of Public Utilities should give consideration to the improvement of the ground transportation service between the Halifax International Airport and the Halifax-Dartmouth area."

Part B

3. Airport Motel - Overnight delays at the Halifax International Airport make it necessary for passengers to travel into the city and back again the next morning in order to resume the flight. It would be a great asset to have a motel built near the airport in order to be able to handle this situation.

"The Department of Transport should explore the possibility of a motel for the Halifax International Airport in order to solve the problem of accommodations requirements."

(This recommendation was not supported by the Board and was thus deleted.)

CHAPTER VII

COMMUNICATIONS SEGMENT

INTRODUCTION

The Communications Segment, made up of the newspaper business, the radio and television industry, and the telecommunications industry, depends almost entirely on the general health of the economy for its own prosperity.

Newspapers derive their revenue largely from advertising and partially from circulation. This means that the more highly developed the economy is, in terms of industrial growth with resultant service industries and population concentrations, the greater the possibility of having a prosperous newspaper industry. Besides being a good promoter of its own product, the newspaper depends on the above-mentioned economic activity.

The radio and television industry is likewise dependent on the health of the economy. The greater the number of people a broadcasting outlet is able to reach the more valuable that outlet becomes because it is desirable for advertising purposes. A thriving economy means that people are buying and selling and the broadcasting industry plays a large part in communicating between buyer and seller. Rising incomes make the market more inviting to national advertisers who will spend money in this area to promote national products.

The telecommunications industry, which includes telephone, telegraph and customer-operated recording communications such as private wire and tele-typewriter exchange service, is also stimulated by a prosperous economy. The number of personal and business telephones and telephone calls increase along with rising incomes and business expansion. Telegraph messages likewise increase for the same reasons.

The industry can help economic growth by providing an efficient and good standard of service.

By so doing it will assist other industries in their efforts to expand and increase productivity. Newspapers, radio and television have a great effect on the people whom they serve and should capitalize on this by providing information concerning the opportunities and benefits that the province offers. The news media can help create and maintain a healthy attitude toward economic growth.

It is rather difficult for the Communications Segment to recommend specific measures for increasing its own economic growth. If Nova Scotia is able to increase its economic growth rate, the communications industry will keep up with that growth by providing adequate service. The industry has the capacity to satisfy a larger demand than at present.

Table 23. Employment - Communications Segment

<u>Section</u>	<u>Employment</u>
Newspapers	850
Telecommunications:	
a) Telegraph	475
b) Telephone	2,200
Broadcasting	<u>700</u>
Total	4,175

Source: Questionnaires and private information.

Expansion in employment will largely take place in telephone operations, with other sections remaining relatively static or growing only slightly. In terms of employment, growth is not likely to exceed two per cent.

Broadcasting Industry - As well as the many responsibilities which must be considered when granted a public trust in the form of a broadcasting license, the economic goal of a radio or television station is to reach as many people as possible with its signal. The more people a station is able to contact the more desirable it is for advertising purposes. The return for the advertiser's dollar is in direct proportion to the number of people the message reaches and the

spending power of those people.

In Nova Scotia there are fifteen AM (Amplitude modulation) broadcasting stations, two shortwave stations, four FM (Frequency modulation) stations, and eight low-power relay transmitters - a total of twenty-nine radio transmitting outlets. There are twelve television transmitting outlets.

Some radio people feel that there are now too many radio stations in operation in Nova Scotia and that it is difficult for any station to secure a stable economic operation. There does not appear to be an extraordinary high number of stations per capita in Nova Scotia, but the province is probably not able to support as many stations as the national average at present. The control of the number of stations in an area is out of the hands of local authorities however, and this makes it difficult to put a limit on the number.

Growth Potential - With radio people feeling the way they do and the licensing authority probably aware of the feeling, it is unlikely that the number of stations in Nova Scotia will increase very much. This means that employment in the radio business will probably remain at present levels with not many jobs created.

Both radio and television are faced with the same major problem in Nova Scotia - lack of population and low industrial density. The more firms that are flourishing in an area the greater the need for an advertising medium to promote products. An increased number of businesses, including service businesses, stimulates the economy and enhances the purchasing power of the individual through a bigger income. This is the type of growth a broadcasting station needs in order to expand, just as other supporting or service industries do.

In Nova Scotia the growth rate of the broadcasting industry appears to average between four and five per cent. This is below the national average which is between seven and nine per cent.

When one looks at statistics of the

broadcasting industry on a national level, certain pertinent facts emerge. Although the broadcasting industry in Nova Scotia does not specifically follow the national picture the same general trends should show up. Between 1958 and 1962, the annual compound rate of growth in revenues of the national radio and television broadcasting industry was eight per cent. Expenses increased over this period due to heavy expenditures on new equipment and increased wages and salaries. Expenses increased by about eight per cent but the actual dollar value did not exceed revenue growth. In 1963, revenues increased by 12 per cent while expenses increased by seven per cent. Radio accounts for 45 per cent of revenues and television for the other 55 per cent. A major expense is in keeping a station equipped with the products of the industry's rapidly developing technology.

Of those stations reporting losses, smaller radio and television stations appear generally to incur disproportionately greater losses than the bigger stations. Larger stations are usually more profitable operations and make small station broadcasting difficult. Employees of smaller stations tend to move to larger ones after a training period, which puts added expense on the smaller station. With the expansion of urban areas, it is also likely that advertisers will buy more time with the larger stations covering bigger audiences.

In 1963, fourteen Nova Scotia private radio stations reporting to the Dominion Bureau of Statistics together showed a net loss. It is also interesting to note that Nova Scotia had the smallest average number of employees per radio station in Canada. Nova Scotia television stations showed a net revenue.

Television came to the province in 1954 and there appears to be much room for expansion. This expansion could come in the form of stations manufacturing films and commercials for networks. The transport costs of this type of manufactured product are nominal compared with the production value. Professionals would be encouraged to remain in this area and it is possible that Nova Scotia could become a centre for Canada in this type of production. Colour television is slated for Nova Scotia in the

fall of 1966 and stations have plans for expansion to carry through this development.

Newspaper Industry - Daily and weekly newspapers both appear to have reached their peak in number of publications about the turn of the century, declining (in numbers) until the 1950's. This decline has been accompanied by a steady and substantial increase in the number of copies circulated. In 1930, for instance, daily circulation was 101,000 in the province. By 1965, while the number of dailies had dropped by six, circulation of those remaining had increased until one alone distributes more copies daily than all combined did 30 years ago. Weekly newspapers remain about the same in number but their circulation similarly has expanded, in some cases by several hundred per cent though in most cases to a lesser extent.

Rising costs of publication and changes in the economy have accounted for the disappearance of dailies in Halifax, Sydney and Glace Bay, and of weeklies in former gold-mining areas in western Nova Scotia and coal-mining districts in Pictou. Other changes, such as growth in Dartmouth and Sydney, have paved the way for spectacular increases in the weekly field met by adoption of modern printing methods.

Expansion in circulation is largely accounted for by improvements in highways, enabling swifter, more regular distribution and, to a degree, by a larger provincial population (up from 459,000 in 1901 to an estimated 761,000 in 1965). Publication costs have been met, in the case of the dailies and larger weeklies, by technical changes and more general use of advertising. Employment has been steady.

Nova Scotia's newspapers constitute a service industry. Like newspapers elsewhere on the continent, it is highly unlikely that any major portion of their revenues will be from "exports." Accordingly, growth must come from within the province. The industry has grown unspectacularly. Apart from the post-war years there has been no significant change in numbers employed. The post-war period did see an increase due to changes in working conditions, mostly in reduced hours of work.

Growth Potential - Generally speaking, the various newspapers are presently equipped and staffed to serve a much larger population. A larger circulation is simply a matter of running presses longer. More business with more messages to give the public could mean more advertising, resulting in more pages per issue, and here there could be some increase in employment.

The world publishing industry is in the midst of a revolution of processes, and this will come more generally to Nova Scotia's newspapers. New equipment and new processes must necessarily mean a switching from present trades and skills, as these become obsolete, to new ones. A better product will result and this will help the industry withstand the intense competition for the advertisers' dollars. Without this revenue the industry would, of course, decline. Some retraining is underway but it seems likely to be relatively gradual because of the large amount of capital involved.

It is significant that the Halifax newspapers, The Chronicle-Herald and The Mail Star, employ more than all the other papers put together. These papers are adequately financed and managed to make the changes coming in the industry. The Cape Breton Post is a medium-sized paper by Canadian standards and is also able to adjust to the changes in the industry. The province has three smaller dailies with fewer resources and here again change may come more slowly, but means of doing so will probably be found as cost problems have been solved.

Significant growth of some of those communities with an active weekly newspaper might result in another daily paper being established, where it is possible to merge several weeklies in adjacent communities. This, however, goes against the tradition of new dailies being developed elsewhere and the Nova Scotia tradition of communities holding hard to their "own" weekly. A more likely development would be the establishment here of a few completely modernized production centres publishing weeklies servicing communities twenty to one hundred miles away, with ownership, editing and advertising remaining in these communities as now. This is the trend elsewhere on

the continent but acceptance of such an idea will probably be quite slow.

In absolute employee numbers the newspaper industry will not be able to provide increased employment in the foreseeable future. At present, employment stands at about 850.

As transport facilities improve, the large newspapers will be able to expand their circulations. With increasing costs and lack of increasing advertising revenue, smaller papers will consequently have difficulty in maintaining their position.

Telecommunications - The telecommunications sub-segment includes telegraph and telephone companies. These companies provide various services as well as facilities for transmission of telegraph and voice messages. Services include:

- Private Wire Teletype Service
- Stock Ticker Service
- Dial or Type Service
- Message Errand Service
- Facsimile Service
- Radio Broadcasting Lease Wire Services
- Television Broadcasting Lease Facilities Service
- Private Mobile Radio
- Intercommunicating Systems
- Data Services

Telegraph - From 1958 to 1965, total employment in the telegraph industry in Nova Scotia dropped by about eight per cent. This decrease is due to a reduction in the number of semi-skilled workers employed, only slightly offset by an increase in the number of highly-skilled technicians employed. Modern developments in the telecommunications industry have made available to business and industry customer-operated services which, in the light of the growing volume of communications demands, permit the user to operate at his own convenience a communications system which fits the peculiar demands of his particular business and reduce his dependence upon the telegram.

Telegraph message traffic has been declining

at a rate of five per cent a year and, while the need for the telegraph will continue, a further decline in overall volume is anticipated as such services as the Telex System provided by the telegraph companies and the TWX System provided by the telephone companies expand. This trend will result in the following: a decline in the number of workers employed in handling messages; the amalgamation, as in Sydney, of Canadian Pacific and Canadian National Telegraph offices in order to permit the continuation of efficient service; and the closing of small telegraph offices in places where messages can be accepted and delivered over improved commercial telephone facilities. The decline in the number of employees in the messenger, clerical and operating classifications will continue to be offset by an increase in the number of employees in the highly skilled technical fields, and in the very near future it is expected that the increase in the latter will at least equal the decline in the former.

Expansion of customer-operated data and other record services will mean a continued growth in capital investment. In addition to private Teletype and Telex services, the telegraph companies now offer data circuits to interconnect customer-owned computers and to provide feed lines from out-stations to centrally located computers. These facilities may be leased for the exclusive use of the customer or he may avail himself of what is known as a Broadband Switching System. This system is similar to Telex in that it is an exchange service in which only the time used is paid for. In addition, the telegraph companies will engineer and provide a data system, including the computer itself, to meet the customer's own special needs and in the near future will be offering a computer service through which the customer may avail himself of memory, calculating and other capabilities. This will enable the small businessman to enjoy statistical and accounting advantages presently confined to larger corporations.

Employment related to the above described services at present stands at approximately 475 people. The number will drop slightly during the next two years, after which it is expected to remain static and then grow slightly.

Telephone - The telephone industry in Nova Scotia is in the process of change. The major company, Maritime Telegraph and Telephone Company, has embarked on a programme of taking over smaller companies throughout the province. During the next ten-year period it expects to complete the take-over programme and also to be wholly on the dial system. (Presently about 87 per cent of the telephones operate on the dial basis, the remainder operating on a manual battery or magnetoc basis.) The firm serves 220,000 stations, 120,000 of these gained since 1950. At present about 75 per cent of the stations are residence and 25 per cent are business stations. There are about 28 telephones per 100 people in Nova Scotia. (The Canadian figure is about 34 per 100 population.)

Over the next five years the major company expects to serve about 300,000 stations. This expansion will call for some increases in employment. Present employment stands at about 2,200 and projections indicate an increase of about 80 people per year in Nova Scotia.

Expansion plans mean increased capital spending by the telephone industry. This is expected to be about \$20,000,000 per year during the First Plan Period (1965-1968). This compares with capital spending in the range of \$10,000,000 per year for the previous five-year period.

The telephone company today recognizes that subscribers can utilize much higher grades of service than even five years ago. With this in mind, plans are to spend large amounts of capital to improve service. This includes such things as greatly reduced loads on rural lines, broader toll-free calling areas through "extended area service", and enlargement of free-mileage areas around urban centres, thus putting private-line service within the reach of many more customers.

COMMUNICATIONS SEGMENT RECOMMENDATIONS AND BACKGROUND

The recommendations below are those that the Transportation and Communication Sector accepted from the segment for presentation to the Voluntary Planning Board. They are presented in two parts.

Part A recommendations were accepted by the Voluntary Planning Board, as in quotations below, and thus appear in the First Plan. (See Appendix "B").

Part B recommendations were not accepted for inclusion in the First Plan for various reasons, and a brief statement of Board reaction to them follows each recommendation. Certain Part B recommendations may be accepted at a later date by the Board after further refinement and study by the sector.

Part A

1. News Media Influence - News media have much influence on the people they serve. Newspapers should report setbacks and defeats on the industrial front; however, it is most important that they also focus on improvements and bright spots on the horizon. It is important that a progressive attitude replace any feelings that the province is in a static position and is not able to change substantially insofar as economic growth is concerned.

"Provincial newspapers and all news media should encourage a healthier attitude toward economic growth and strive to do their part in informing people of opportunities and changes in the province."

2. Training School for Radio and Television Announcers - There seems to be plenty of people desiring work as radio announcers but qualified people are difficult to obtain. Talented employees who remain in Nova Scotia radio and television business often do so because they are attached to the areas. Other employees often remain here because they are not sufficiently trained to go elsewhere. In order for a person to obtain formal training in radio and television he must go to central Canada for instruction at a school such as the Ryerson Institute. In most cases when a person has completed his course he will not return and thus is lost to this area. It is therefore important that Nova Scotia and the Maritimes have a method of training their own people and that they encourage

them to stay here. There would not be sufficient candidates to warrant a Nova Scotia training centre for radio and television personnel, but an establishment in this province to provide training facilities for the Maritimes might be feasible. Such a school could improve the image of radio and television in the public eye.

If it is not possible to create a training centre, a co-operative effort between stations might serve the purpose for training new recruits. The need for a method of training people for radio and television work is much greater today than in the past.

"Consideration should be given to the setting up in Nova Scotia of a technical training course for radio and television."

3. Industry Employment Skill Requirements - There is need for the Nova Scotia Department of Education to keep in touch with changing employee skill requirements of industry. Where possible, it should provide training and re-training to fit these changing needs. It is essential that any training programme be guided by future employment needs. For example, in the technical training field, typing classes should include an opportunity for work on a type-making communication machine as this unit will be more in use in the near future.

There is no communications school in Nova Scotia but it is suggested that more use might be made of present facilities without having to buy expensive equipment. Instruction in advertising design and layout could, for example, be provided in commercial art courses. A school or course in photography could also teach offset plate making which is a relatively new method of printing reproduction and produces very clear print and pictures for newspapers.

"Where possible, the Nova Scotia Department of Education should make every effort to provide training and retraining programmes which will give graduates of the technical

schools skills that are and will be required by industry in the future. Furthermore, the Nova Scotia Department of Education should increase its staff of fact-finding people so that technical school programmes correspond to industry's needs in the province."

4. Spelling - Publishers often complain that too many students up to grade ten, who apply for printing apprentice jobs, are inept in spelling. Even though a person is a good technician, if he cannot spell he will never become a qualified compositor.

"The schools of Nova Scotia should put a greater emphasis on and insist on correct spelling by students as this is essential for those entering the field of graphic arts or secretarial work and is of value to all."

Part B

5. Maritimes Sales Market - The sales market of the Maritimes is substantial and it is important to the area to have national advertising agencies made aware of market potential. Broadcasting stations tend to go on in an individual manner and do not set up a united front. Before radio stations attempt to point out individual merits, it is desirable that advertising agencies be made aware of the full potential of advertising in this market. It is suspected that many advertising dollars are lost as a result of the agencies' lack of knowledge of the Atlantic market. Radio and television stations on a united front can help sell advertising agencies on the Maritime market and the desirability of using the broadcasting medium for communication of a message.

"The radio and television industry of Nova Scotia should inform national advertising agencies of the growing Maritimes market."

(The Board felt that this was an industry problem.)

CHAPTER VIII

GENERAL CONCLUSIONS AND EMPLOYMENT TARGETS

Two points should be covered when summing up the potentials for growth and the future of the transportation and communication industry. The first is one of the paramount purposes of planning - to determine whether a certain segment will be able to provide any new jobs or not. The second is to determine if the transportation or communication service is able to meet expected, planned or natural growth of the economy. With these two points in mind the individual segments may briefly be discussed.

The railway industry should be able to handle increased demands on it for the next few years and should continue the development of specialized equipment to meet specific needs of other industries. Employment, which has been dropping in the last few years, is expected to level off at or near present levels. Although no increase in number of jobs is expected, a continued need for more skilled labour is anticipated and a continued upward trend in wages.

The motor carrier industry, and in particular the motor-truck transport industry, has much room for expansion. Given improved trunk highway networks of an all-weather standard, combined with the growth of more stable operations, it is expected that more firms will operate in the field of for-hire trucking in Nova Scotia.

The trucking industry will need to expand along with demand for services by the goods-producing sectors, especially of secondary manufacturing. It should be kept in mind that Nova Scotia private fleet operations, which in terms of number of vehicles are many times greater than the for-hire group, will also expand and accent the need for better roads.

Provincial intercity bus operations will maintain their position with expansion likely if the railways see fit to discontinue some passenger services and also as highway linkages are improved.

Employment in the motor carrier industry will increase at probably between three and four per cent annually up to 1968.

Employment in the shipping industry, which for Nova Scotia largely means port activities and export and import facilities, both provincial and national, will in all likelihood remain close to present levels in the immediate future. In the next few years, however, there will have to be major changes if Nova Scotia, more specifically Halifax, and to some extent Sydney, is to hold its position as a major Atlantic coast transfer point. It will be necessary to stress extensive development of selected Nova Scotia ports in order that they may become more competitive with other eastern Canadian and United States Atlantic coast ports. An upswing in provincial exports from increased secondary industry will not be enough to support increased shipping traffic. For Nova Scotia ports to survive they depend on a large hinterland. This means that encouragement of increased central Canadian overseas traffic will be necessary if improved year-round service is to come to Nova Scotia. Thus provision must be made for modern port facility development if success in this direction is expected. Planning for the use of extensive containerization systems will be required along with modern loading and unloading facilities. Nova Scotia will have to demonstrate to shipping lines why they should use Nova Scotia ports.

Additional improvements in cargo handling, which may mean fewer direct jobs, should be matched with retraining programmes for displaced workers. Modernization must continue if the ports are to survive and it is expected the trend of lower employment in the industry will result; however, the final effect of modernization will mean more jobs by indirect implication.

The air segment of the economy appears to have a bright future. An increasing number of people will travel by air and there is no reason to expect that this demand cannot be met. At present, air freight capacity out of the province is at times not fully utilized. However, an increased economic base, along with progressive air-mindedness by businesses

and the public, will result in increased demands for both passenger and freight air service. Employment levels are expected to show a slight but insignificant increase.

Air tourism in Nova Scotia should be encouraged as the small private aircraft is becoming commonplace, especially in the New England area. If the province could provide more attractive small airstrips, it could become a resort for the flying tourist.

The communications industry appears to be generally stable in terms of its future economic growth. Under the telecommunications heading, the telegraph industry will probably continue the trend of closing down its small offices. However, expansion in other areas of the business will keep employment relatively stable with an increased demand for skilled labour. The telephone business in the province will be handled completely by one large firm. Any expanded service demands should be met without much trouble. Employment will increase mostly in the telephone business and it is expected that about 80 new jobs will be provided each year.

The Nova Scotia newspaper industry will probably change in several ways. The daily papers, which can afford the expense of keeping abreast of modern technology, will remain in a strong economic condition. This applies also to the larger, more progressive weekly papers. Small weekly papers will find it difficult to compete and will probably decrease in number. Many of them will turn to commercial printing. Employment in the weekly and daily newspaper businesses will remain at much the same levels as now. At present Nova Scotia's presses could serve a much larger population so increased demand presents no problem.

The radio and television business in the province will remain stable in the foreseeable future. No major changes are anticipated in radio, while television service is likely to expand with investment in colour transmission. As with all businesses that depend on advertising revenue, the broadcasting industry will grow more quickly if the economic

growth rate of the province increases. No significant increase in employment is forecast for the broadcasting industry.

Employment in the communications industry as a whole will probably increase at a rate of about two per cent per annum.

If targets of goods-producing sectors are reached, it is felt that the transportation and communication industry will be able to handle this expansion with improved service. Goods-producing industries and the transportation and communication industry must keep in constant touch with each other regarding changes in services required.

Employment in the transportation and communication industry will not likely increase significantly up to 1968, and with equipment modernization, the same trend should be evident up to 1972. The industry employment level for 1965 is estimated to be 20,200 (See Table 24.)

The transportation and communication industry is a service (non-goods producing) industry; therefore, growth targets as such have not been set. Estimated employment figures for the sector as a whole can be seen in the following table.

There is no specific trend to these figures other than a build-up from 1947 to a peak period from 1951 to 1957. From 1957 to the present there has been a decline which has levelled out over the 1960-1965 period. Most of the decreases from the peak period to the present came as a result of a decline in employment related to railway and water transport. Motor carrier employment remained relatively static and increases took place in the air and communications sections. It is expected that the decline in railway employment is over and that close to present levels will be maintained. Water transport related employment is likely to decrease slightly up to 1966 with 550 stevedores becoming redundant during 1967 and 1968 as a result of the modification being carried out to the North Sydney ferry terminal and the vessels

Table 24. Total Employment
Transportation and Communication Sector

<u>Year</u>	<u>Employment</u>	<u>Year</u>	<u>Employment</u>	<u>± %</u>
1947*	20,522	1956	23,664	
1948	21,702	1957	22,610	
1949	21,091	1958	20,922	
1950	20,711	1959	21,407	
1951	22,335	1960	20,458	
1952	23,938	1961	20,500	
1953	22,989	1962	20,600	+ 0.5
1954	22,841	1963	19,400	- 5.8
1955	22,799	1964	19,700	+ 1.5
		(1965**	20,200	+ 2.5
		(1966***	20,600	+ 1.9
	Projected	(1967	20,500	- 0.5
	Target	(1968	20,450	- 0.2
		(		(+ 2.3%)
		(		
		(1972	21,230	(+ 5.9%)

* 1947 to 1960 - Figures based on Employment - Payroll Index, DBS 72-002 applied to more accurate (1961-64) Provincial Estimates, DBS 72-503 (adjusted to take out "other utilities" category).

** Estimate based on 1965 monthly reports, DBS 72-008.

*** Estimates based on Industry trends and Sector expectations.

± % is change over previous year.

(± %) is change over 1961-64 base.

which operate from it. Motor carrier employment is expected to increase gradually during the 1965-1968 period with even more expansion from 1968 to 1972. Air transport employment should show a small increase and communication employment will also rise. Transportation and communication employment increases are not likely to offset the decreases in the 1967 and 1968 years; however, between 1968 and 1972, with continued expansion in highway transportation and related fields along with air transport and communications, a small yearly increase is expected for the sector as a whole.

As a general conclusion, there is a need for more statistical data and analysis to aid in making decisions on priorities to maximize efforts to increase the economic growth rate in the province. Improvements would be valuable in all transportation services but are costly. The various methods of transportation need careful study as to their role and significance in providing an efficient service for the province in its efforts to improve internal and external transportation links. Both transportation and communication will play an integral part in any programme for an improved rate of economic growth for Nova Scotia and it is most important that these services be planned so that they stimulate rather than retard growth.

APPENDIX A

ATLANTIC PROVINCES TRANSPORTATION STUDY

The Atlantic Provinces Transportation Study is being conducted on behalf of the Canada Department of Transport and the Atlantic Development Board by the consulting firms of Acres Research and Planning Limited of Toronto and Niagara Falls and the Economist Intelligence Unit of London, England. In the course of the study, which is being carried out in close consultation and co-operation with the four provincial governments and the Maritimes Transportation Commission, the entire transportation system of the four Atlantic Provinces (including physical facilities, commodity flows, rate and subsidy structure etc.) will be reviewed in the light of the present and future needs of the region's economy.

The principal purpose of the study is to arrive at a set of recommendations relating to transportation in general and the transport system in particular. But this cannot be done without first establishing the basic economic assumptions within which the transportation system must operate. Transport, in an economic sense, serves a functional need - the need of distribution. The methods of analysis to be used by the consultants will therefore involve a detailed examination of the present and likely future pattern of distribution and of how the present transport system can best be modified, extended and improved to serve this need most effectively.

While a certain amount of information can be gained from published statistics and other material (which has been done as the first phase of the study), it is vital to tap the experience, knowledge and opinions of those who are directly involved in transportation, industry and other fields in the Atlantic Provinces. This is to be done through a series of personal interviews carried out by several senior members of the study staff with representatives of government, the business community, universities, and transportation firms and agencies, and with knowledgeable private citizens.

These interviews are a key part of the research programme and are aimed at providing the working team with the necessary first-hand insights into the region's problems and potentialities to enable them to form judgment regarding the future course of economic development. Supplemented as necessary by documentary and statistical research, this will enable the consultants to assess the following questions:

- (i) What has been the past pattern of economic growth in the Atlantic Provinces? What factors were instrumental in bringing it about? Which policies and local factors assisted this development, which were neutral and which impeded it?
- (ii) What is the present position regarding economic growth? What are the advantages and shortcomings of the region's present commercial environment? Can it be improved and, if so, what effects are these improvements likely to have on the area's development potential?
- (iii) How is the economy of the Atlantic Provinces likely to develop in future? Are there any new institutional and physical measures which might help to realize the area's full development potential? Is the future pattern of growth likely to be self-sustaining?

The interview programme will be aimed principally at two groups of people, the producers and the transport operators. The first group will be asked to discuss such factors as: their future production plans, where they sell their products and what changes, if any, they foresee in their present marketing pattern; why, in their opinion, they are able to sell their products in their present markets; how they distribute their product from plant to market; what, if any, are the shortcomings of their present delivery arrangements; and, finally, what is their own personal evaluation of the region's problems.

The second group, the transport operators, will be asked questions relating to the scope of their operations; the range and type of services offered; what impediments there are, either legislative or physical, to providing a better service; what views they have concerning the likely future development of the transport sector; and what changes in the present system would enable them to provide the kind of service most likely to benefit the Atlantic Provinces' economy.

The conclusions and recommendations will be of crucial importance to the future development of the Atlantic Provinces and to the prosperity and well-being of their citizens. Their soundness and effectiveness necessarily depend, however, on the quality of the information and opinions on which they are based. The full co-operation of all those whom the team seeks to interview is therefore essential, and the Maritimes Transportation Commission and the Atlantic Provinces Economic Council join the sponsors of the study in asking for such support. The following are the objects and scope of the Atlantic Provinces Transportation Study as set out in its programme of work.

Objects

- "1. To examine the effectiveness of the present transportation system of the Atlantic Provinces, bearing in mind the existing obligations of the Federal Government under the Terms of Union with Newfoundland, the Maritime Freight Rates Act, the Atlantic Development Act, and the general policy of the Federal Government to foster the economic development and well-being of the Atlantic Provinces.
2. To make recommendations as to how the existing transport framework can best be developed to serve the Atlantic Provinces and what new institutional arrangements or additional transport facilities are required.
3. To examine the operation of the Maritime Freight Rates Act in the light of the recommendations of the 1959 Royal Commission on Transportation, paying special attention to:

- (a) An assessment of the present day effects of the Maritime Freight Rates Act on the economic development of the Atlantic Provinces.
 - (b) An assessment of the desirability and feasibility of implementing the recommendations of the above Royal Commission.
 - (c) An assessment of the present methods of making payments to the railroads under the Maritime Freight Rates Act.
 - (d) The formulation of appropriate recommendations on the above three points.
4. To co-ordinate the recommendations for the improvement of the transportation system with the comprehensive plan for the economic development of the Atlantic Provinces at present being prepared by the Atlantic Development Board.
5. To formulate a sequential plan for the improvement of the transportation system of the Atlantic Provinces, paying special attention to:
- (a) The adjustment of railway rates.
 - (b) The available alternative routes in relation to all forms of transport.
 - (c) The provision of competing private services with or without subsidy.
6. To approach the special situation of Newfoundland from within the economic setting of the region as a whole."

Scope

"The present and likely future routes by road, rail, air and sea (including ferries) would all be considered in relation to:

- (a) The internal transport requirements of the Atlantic Provinces.

- (b) The need to provide adequate and efficient transportation services between the Atlantic Provinces and the rest of Canada.
- (c) The need to link the Atlantic Provinces' transportation system with the rest of the world.

Transportation facilities will be considered in relation to their financial implications and their impact on general development."

APPENDIX B

TRANSPORTATION AND COMMUNICATION SECTOR RECOMMENDATIONS INCLUDED IN "NOVA SCOTIA VOLUNTARY PLANNING BOARD, FIRST PLAN FOR ECONOMIC DEVELOPMENT TO 1968"

1. In the interest of furthering the development of the Nova Scotia bus industry, a study should be conducted by the Nova Scotia Board of Commissioners of Public Utilities to ascertain the rules and regulations pertaining to foreign buses in other provinces of Canada and in the United States.
2. Section 3 of the Motor Carrier Act should be repealed. All exemptions should be by regulations under the Motor Carrier Act.
3. Registration of gross weight of combination vehicles on the tractor (power unit) should be permitted with semi-trailers being issued an identification tag for a token fee.
4. New commercial vehicle owners should pay a registration fee on a quarterly prorated basis.
5. Representation should be made by the Provincial Government to have the Canadian National Railways make available for a suitable fee, to properly licensed motor carriers, the facilities of piggyback service to all points within the Atlantic Provinces where ramps are available.
6. Trucks and buses from outside the province should contribute their fair share of fuel tax, based on their use of Nova Scotia highways.
7. Better communication between the Nova Scotia Highways Department and the public should be established regarding plans for highway construction, future policy and legislative changes when they are made. Furthermore, maximum advance notification of road weight

restriction in the spring should be given through press and radio statements, along with prompt notification of changes in weight restrictions during the spring period.

8. There should be an expansion of grain handling and storage facilities in Nova Scotia to about 6 or 7 million bushels to take advantage of the cheaper transportation of grain via the St. Lawrence Seaway and thereby be able to maintain a local supply as well as to increase the export of grain through Nova Scotia ports.
9. Provincial newspapers and all news media should encourage a healthier attitude toward economic growth and strive to do their part in informing people of opportunities and changes in the province.
10. ** Consideration should be given to the setting up in Nova Scotia of a technical training course for radio and television.
11. There should be co-operation between steamship lines, the Port of Halifax and other Nova Scotia ports, the national railways and highway transport firms, and representatives of labour, in bringing about increased use of containerization in cargo handling to provide a speedy and efficient movement of cargo to, from and through Nova Scotia ports.
12. The Department of Trade and Industry should encourage municipalities to take further advantage of federal assistance in the construction of small airstrips in Nova Scotia.
13. * Efforts should be made to improve co-operation between shippers and receivers and the motor carriers.
14. ** Where possible, the Nova Scotia Department of Education should make every effort to provide training and retraining programmes which will give graduates of the technical

schools skills that are and will be required by industry in the future. Furthermore, the Nova Scotia Department of Education should increase its staff of fact-finding people so that technical school programmes correspond to industry's needs in the province.

15. ** The schools of Nova Scotia should put a greater emphasis on and insist on correct spelling by students as this is essential for those entering the field of graphic arts or secretarial work and is of value to all.
16. * The national railways should continue to give close attention to the principle of publishing rates on an incentive loading basis, and in particular they should give consideration to the publication of incentive rates on pool car business originating in Quebec and Ontario and destined to points in Nova Scotia.
17. The Nova Scotia Board of Commissioners of Public Utilities should give consideration to the improvement of the ground transportation service between the Halifax-International Airport and the Halifax-Dartmouth area.

* Referred back to Sector for industry self-implementation.

** Referred to Education Advisory Council.

APPENDIX C

TRANSPORTATION AND COMMUNICATION SECTOR COMMITTEE

A. G. Archibald	Halifax
J. M. Bourinot	Arichat
C. D. Chisholm	Halifax
C. S. Clancy	Halifax
J. J. Cole	Halifax
R. K. Cook	Lunenburg
H. C. Cowperthwaite	Halifax
F. J. Cragg	Halifax
J. G. Davis	Moncton
C. S. Dickson	Moncton
F. W. Doyle	Halifax
G. P. Glyde**	Halifax
W. B. Greenwood	Halifax
R. R. Hannah	Sydney
D. J. Hubley	Shubenacadie
E. R. Johnson	Sydney
M. W. Knowles	Sydney
W. J. F. Kontak	Antigonish
D. R. McDermaid	Halifax
A. J. MacDonald	Glance Bay
D. MacIsaac	Sydney
R. M. March	Halifax
J. R. Mitchell	Halifax
C. W. Moffatt	Sackville
R. S. Morton	Dartmouth
C. A. Moulton	Halifax
H. Cyler	Kentville
G. A. Powell	Kentville
O. B. Pulsifer, Jr.	Halifax
C. Thompson	Middleton
G. C. Thompson*	Halifax
R. J. Tingley	Moncton

* Chairman

** Secretary

SEGMENT COMMITTEES

Air Travel

C. R. Baxter, Jr.	Halifax
C. D. Chisholm	Halifax
H. W. Clark	Halifax
J. J. Cole*	Halifax
F. J. Connolly	Halifax
E. C. Dauphinee	Halifax
P. M. Emmerson	Halifax
R. J. Ferguson	Dartmouth
K. Forde	Gander
G. P. Glyde**	Halifax
B. B. Hanson	Halifax
G. A. Johnson	Elmsdale
R. I. Laidlaw	Halifax
W. F. Napier	Halifax
J. L. Shanahan	Sydney
C. Steel	Watervale
C. A. Stokes	Halifax
W. V. Gordon, Jr.	Halifax
C. A. Waterhouse	Dartmouth

Communications

W. Bellamy	Moncton
F. W. Doyle	Halifax
W. F. Harvey	Truro
W. J. Henry	Halifax
L. A. Knoke**	Halifax
R. S. Morton*	Dartmouth
D. H. Orr	Halifax
O. B. Pulsifer, Jr.	Halifax
J. R. H. Sutherland	New Glasgow
M. W. Wallace	Halifax

Motor Vehicle

O. Allen	North Sydney
P. H. Bourgeois	Cheticamp
L. D. Cole	Tatamagouche
H. Corkum	Auburn
J. P. Carroll	Dartmouth
J. F. Cragg	Halifax
G. M. Gates	Port Williams
E. B. Hill	Truro
D. J. Hubley	Shubenacadie
R. E. Judge	Halifax
J. A. LeClair	Truro
C. W. Moffatt**	Sackville
C. A. Moulton	Halifax
R. McKay	Newport
D. G. Parker	Bridgewater
P. Rand	Cambridge Station
C. F. Robinson	Shubenacadie
E. Robinson	Shubenacadie
E. Shutt	Halifax
D. F. Stewart	Stellarton
C. Thompson	Middleton
G. H. Thompson	Halifax
N. Tomada	Glace Bay
L. G. White	Halifax
L. C. Young	Halifax

Railway

A. L. Bates	Moncton
C. S. Clancy**	Halifax
H. C. Cowperthwaite*	Halifax
J. G. Davis	Moncton
J. C. Irvine	Halifax
G. N. Langley	Moncton
W. H. MacKenzie	Halifax
G. A. Powell	Kentville
R. J. Tingley	Moncton

Shipping

J. K. Bell	Halifax
L. G. Bishop	Hantsport
A. E. Calkin	Kentville
C. S. Clancy	Halifax
S. C. Clowser	Halifax
G. K. Cox	Kentville
T. A. Curry	Halifax
R. W. Davidson	Halifax
G. P. Glyde**	Halifax
W. Hall	Halifax
L. Himmelman	LaHave
H. W. W. Hyson	Halifax
K. B. Karlson	Halifax
G. N. Langley	Moncton
C. R. Lorway	Sydney
R. M. March*	Halifax
J. A. Marsters	Halifax
H. I. Mathers	Halifax
H. C. Milroy	Halifax
J. W. E. Mingo	Halifax
J. R. Mitchell	Halifax
D. A. Mosher	Halifax
H. Oyler	Kentville
D. Scouler, Jr.	Halifax
F. W. Walsh	Kentville
H. A. Woodly	Halifax

